

Analyst Briefing Notes

Budget Advisory Committee

(January 13, 2006)

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PART I: 2006 Operating Budget Overview

Table 1: 2006 Budget Request

	2005		2006 Operating Budget Request			Change 2006 Request from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Base Request	2006 New Council Priorities	2006 Op. Bud. Request			2007	2008
(In \$000s)	\$	\$	\$	\$	\$	%		\$	\$
GROSS EXP.	748,691.0	745,991.0	782,735.9	7,234.5	789,970.4	41,279.4	5.5	6,600.0	1,700.0
REVENUE	32,587.8	34,987.8	32,431.7	4,400.0	36,831.7	4,243.9	13.0	3,800.0	500.0
NET EXP.	716,103.2	711,003.2	750,304.2	2,834.5	753,138.7	37,035.5	5.2	2,800.0	1,200.0
Approved Positions	7,373.0	7,349.0	7,368.0	204.0	7,572.0	199.0	2.7		
TARGET			730,425.3						
\$ Over / (Under) Program Target			19,878.9						
% Over / (Under) Program Target			2.7%						

Executive Summary

- The Toronto Police Service submitted a draft 2006 Operating Budget that has not yet been approved by the Toronto Police Services Board. Information and discussions contained in these Analyst Notes are based on the draft submission. Approval of the budget has been deferred until the Toronto Police Services Board meeting of January 11, 2006, at which time other reports from the Chief of Police regarding the identification of further reductions to the 2006 budget requests for travel, conferences, courses and seminars; and whether premium pay accounts can be reduced for 2006, will also be considered with the Services' 2006 Budget request.
- The 2005 projected year-end net expenditure of \$711.003 million net is \$5.100 million below the 2005 Approved Budget of \$716.103 million net. The underspending is primarily in salaries due to a higher than forecasted number of uniform separations, and in medical and dental benefits actual expenditures' being lower than what was estimated for 2005.
- The 2006 Base Budget Request is \$19.879 million or 2.7% over the 2% target mainly as a result of the 3.1% wage increase arising from the collective agreement settlement that requests \$22.450 million net in funding for 2006.
- The Program is requested to report back to the Budget Advisory Committee in February 2006 on adjustments to get to their 2% target of \$730.425 million net.

- Toronto Police Service has been granted 50% provincial cost-sharing funding for an additional 250 officers. 46 of the new uniform positions are in the 2006 “base” budget request which are allocated primarily to the new 43 Division station, while the remaining 204 officers that will be cost-shared under the “Safer Communities – 1,000 Officers Partnership Program” represent a new program service request of \$1.900 million net in 2006 and \$4.700 million net in 2007.
- Council approved 150 new officers in addition to the initial 46 officers for 2006, and an additional 54 to be deployed in 2007, for a total complement of 250 new officers. The 204 new officers is the Program’s request, however given the City’s financial constraints, Council is asked to consider deferring the 54 new officers to 2007 and approve the 150 new officers in addition to the 46 already recruited and in the Base Budget Request.
- The 2006 Budget Request includes an increase of 199 net new staffing positions which is comprised of the additional 204 uniform positions for the Safer Communities Grant officers approved in 2005, and a decrease of 5 civilian positions.
- The 2006 Budget Request for Toronto Police Service of \$753.139 million net is comprised of \$750.304 million net for Base funding and \$2.835 million net for New Program requests of 204 additional officers and enhanced security for gang trials, and is 5.2% higher than the 2005 Approved Budget.
- The 2006 Base Budget Request adjustments include a reduction of \$3.479 million net to the Base comprised of: a) a reduction of \$1.000 million savings from salaries based on more current and refined information; b) a reduction of \$0.720 million in premium and acting pay savings through current initiatives being developed and the implementation of guidelines or criteria for acting assignments; c) a reduction of \$0.731 million in benefits based on 2005 projected actual expenditures as well as more current and refined information; d) a decrease of \$0.350 million in savings due to a new multi-year photocopier contract; and e) a decrease of \$0.315 million net for gasoline, based on a revision of the price per litre from \$0.95 to \$0.90; and a \$0.363 million reduction for other expenses.
- New Program requests include: a) \$1.900 million net to fund the Safer Communities Grant Program for 204 extra officers; and b) \$0.934 million net to fund enhanced court security for gang trials for projects “Impact” and “Pathfinder”. These requests are necessary to address the City’s current crime activity and much needed support in vulnerable neighbourhoods.
- Key cost drivers include collective agreement decisions and benefits, since salaries and benefits typically account for 93% of the Program’s expense base.
- The Chief of Police has initiated a new staffing strategy for 2006 to 2010. For 2006, there will be a redeployment of 200 officer positions to uniformed positions as well as the additional 250 officers that will be assigned to neighbourhood and community policing.

Recommendations

It is recommended that:

- (1) the Toronto Police Service 2006 Operating Budget Request of \$789.970 million gross and \$753.139 million net, be received;
- (2) Toronto Police Services Board report back to the Budget Advisory Committee in February 2006 with reduction options including revenue changes to achieve the 2% target of \$730.425 million, and that the Chief of Police be requested to report back to the Budget Advisory Committee before the start of the 2007 budget process on the results of reviews that the Service is undertaking to determine additional efficiencies and savings;
- (3) Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the reasons why 2006 revenues are not budgeted to achieve 2005 projected actual levels or 2005 Approved Budget levels;
- (4) funding for the 150 new officers associated with the Provincial “Safer Communities – 1,000 Officers Partnership Program” for 2006 be proposed;
- (5) the funding for the December 2006 recruitment class of 54 new officers associated with the Provincial “Safer Communities – 1,000 Officers Partnership Program” be deferred for consideration with the 2007 budget process and that the Toronto Police Services Board report back to the Budget Advisory Committee during the 2006 budget process on the timeframes required to meet the Provincial grant eligibility requirements;
- (6) Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the comparison of policing as a percentage of every tax dollar (Toronto Police Service is 23.8% in the 2005 Operating Budget) versus comparable police forces in large cities and municipalities across Canada;
- (7) Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the comparison of Toronto Police Service’s Human Resources staffing and spending rate per total number of employees versus comparable police forces in large cities and municipalities across Canada;
- (8) the Deputy City Manager responsible for the Municipal Licensing and Standards Division, in consultation with City Legal Services, and other appropriate City staff, report back to the Budget Advisory Committee during the 2006 Operating Budget Process on the Toronto Police Service’s proposal to recover incremental costs (approximately \$2.0 million annually) of policing the Toronto Entertainment District at peak periods from businesses within the Entertainment District;
- (9) the Chief of Police be requested to report back to the Budget Advisory Committee prior to the start of the 2007 budget process on the new staffing strategy with respect to the redeployment of 200 positions to uniformed positions i.e. the criteria for redeployment, whom to redeploy, to and from which department, which services will be impacted or eliminated to accommodate this redeployment, and the resultant impact on base policing activity; and,

- (10) the Chief of Police, as per the report received by the Toronto Police Services Board on December 15, 2005 regarding the 2006 Toronto Police Service Operating Budget, be requested to report back to the Budget Advisory Committee prior to the start of the 2007 budget process, with medium and long term strategies for policing that identify best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond.

PART II: BASE BUDGET

Section A: 2005 Budget Variance Analysis

Table 2: 2005 Budget Variance Review

	2004 Actuals	2005 Approved Budget	2005 Projected Actuals *	2005 Approved vs Projected Actuals Variance Over / (Under)	
(In \$000s)	\$	\$	\$	\$	%
GROSS EXP.	707,538.4	748,691.0	745,991.0	2,700.0	0.4
REVENUES	30,876.0	32,587.8	34,987.8	(2,400.0)	(7.4)
NET EXP.	676,662.4	716,103.2	711,003.2	5,100.0	0.7
Approved Positions	7,245.0	7,373.0	7,349.0	24.0	0.3

*Projected actual expenditures and revenues to year-end are based on the Revised 3rd Quarter Variance Report, and includes cost of living adjustment impacts.

2005 Experience

The 2005 Toronto Police Service gross expenditures are projected to be \$745.991 million at year-end, which is \$2.7 million or 0.4% below the 2005 Approved Gross Operating Budget of \$748.691 million.

The projected year-end revenue for the Toronto Police Service is \$34.988 million. This represents an increase of approximately \$2.4 million or 7.4% in revenue compared to the 2005 Approved Operating Budget of \$32.588 million.

As a result of the above, the projection to year-end for the Toronto Police Service is \$711.003 million net. This represents a favourable variance of \$5.1 million or 0.7% compared to the 2005 Approved Operating Budget net of \$716.103 million.

A series of factors have contributed to the variance of \$5.1 million net, as set out below.

- A favourable variance of \$3.2 million is projected for staffing costs to year-end due to the following:
 - Salaries are projected to be underspent by \$1.9 million, due primarily to a higher number of uniform separations than originally forecasted. The 2005 Approved Budget was based on 200 uniform separations. Projections estimate 240 uniform separations by year-end.
 - Savings of \$1.3 million is projected for medical and dental benefits by year-end. When the 2005 budget for medical and dental benefits was created, the Service

estimated that costs would increase at a rate that was less than the industry average. Experience to date indicates that medical and dental costs will increase at a lower rate than the Service originally forecasted.

- Certain revenue accounts are projected to have a favourable variance of \$1.100 million by year-end, due to an increase in provincial recoveries for prisoner transportation (\$0.500 million), the increased sale of clearance letters (\$0.300 million), and various other revenue accounts (\$0.300 million).
- The Service has received confirmation that \$1.2 million in one time funding will be provided in 2005 for costs that were incurred in previous years. The Federal government will be contributing \$0.8 million towards the costs of Service personnel assisting with the Bush visit to Ottawa in late 2004. In addition, the Provincial government has provided one-time funding of \$0.4 million towards the costs of Service personnel associated with the Cecilia Zhang investigation.

The Toronto Police Service approved complement is anticipated to decline by 24 positions to 7,349 position by year-end. This represents a decrease of 0.3% compared to the 2005 Approved Operating Budget complement of 7,373 positions. The decline is attributed to a higher number of uniform separations than originally forecasted. The 2005 Approved Operating Budget complement of 7,373 positions is comprised of 5,297 uniform staff and 2,076 civilian staff.

Impact of 2005 Operating Variance on 2006 Budget Request

The following 2005 Operating variances are expected to impact the 2006 Operating Budget for the Toronto Police Service:

- The favourable 2005 Operating variance in staffing costs attributable to higher than budgeted uniformed separations is not expected to continue in 2006 as the budgeted uniformed separations and the budgeted replacements are both at 200 positions.
- The favourable 2005 Operating variance for medical and dental benefits is expected to continue as experience to date indicates that medical and dental costs will increase at a lower rate than the Service originally forecasted.
- An increase in revenue for the increased sale of clearance letters is expected to continue into 2006 (\$0.200 million).
- The funding received from the Federal government for the Bush visit to Ottawa in late 2004, and from the Provincial government associated with the Cecilia Zhang investigation, are one-time only, and are not expected to recur in 2006.

Section B: 2006 Base Budget Request

Table 3: 2006 Base Budget Request

(In \$000s)	2005 Approved Budget	2006 Requested Base*	2006 Base Request**	Change 2006 Base Request v. 2005 Approved Budget		FY Incremental Outlook	
				\$	%	2007	2008
	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	748,691.0	786,014.9	782,735.9	34,044.9	4.5	0.0	0.0
REVENUE	32,587.8	32,231.7	32,431.7	(156.1)	(0.5)	0.0	0.0
NET EXP.	716,103.2	753,783.2	750,304.2	34,201.0	4.8	0.0	0.0
Approved Positions	7,373.0	7,368.0	7,368.0	(5.0)	(0.1)	0.0	0.0
NET TARGET		730,425.3					
\$ Over / (Under) Program Target		19,878.9					
% Over / (Under) Program Target		2.7%					

* Based on Program Submission

** Includes Reductions of \$3.479 million net

2006 Base Budget Request

- The 2006 Base Budget Request of \$750.304 million net represents a \$34.201 million or 4.8% increase over Toronto Police Service’s 2005 Approved Budget.
- Toronto Police Service’ 2006 Base Budget Request is \$19.879 million or 2.7% over its target of \$730.425 million, the result of a collective agreement settlement that requires a 3.1% increase in 2006 and as well as other related employee costs. The 2005 wage increase was 3.75% and the 2007 increase will be 3.0%.
- To alleviate some of this expenditure impact, the 2006 Base Budget Request incorporates reductions totaling \$3.5 million from salaries and benefits, gasoline, and other expenses.

2006 Key Cost Drivers

The following cost drivers, as identified in the Service’s request, have contributed to the base budget increase in 2006:

- Collective agreement settlement impact of 3.1% (\$22.450 million)
- Increased benefit costs (\$7.0 million) due primarily to increasing OMERS contribution rates and medical/dental costs
- Contribution to the Vehicle and Equipment Reserve (\$1.7 million) which represents the final year of the increase to build up the Reserve to ensure that vehicles purchased are replaced as per the lifecycle plan

- City chargeback for increased facility services such as cleaning and maintenance of Police facilities, including the new 43 Division station (\$0.8 million)
- Increases for gasoline due to higher fuel costs compared to previous years (\$0.9 million).

**Table 4: Summary of Base Budget Request Changes
From 2005 Approved Budget**

	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
2005 Approved Operating Budget	7,331.0	721,447.3	32,587.8	688,859.5	0.0	0.0
In-year approvals and technical adjustments	42.0	27,243.7	0.0	27,243.7		
2005 Approved Operating Budget	7,373.0	748,691.0	32,587.8	716,103.2	0.0	0.0
Annualizations	0.0	6,214.3	0.0	6,214.3		
Economic factors	0.0	23,649.8	0.0	23,649.8		
Adjusted Base Budget	7,373.0	778,555.1	32,587.8	745,967.3	0.0	0.0
Other base changes	(5.0)	7,459.8	(356.1)	7,815.9		
Base revenue changes	0.0			0.0		
2006 Requested Base Budget*	7,368.0	786,014.9	32,231.7	753,783.2	0.0	0.0
Recommended Base Adjustments:						
Other base changes		(3,279.0)		(3,279.0)		
Service efficiencies				0.0		
Revenue adjustments			200.0	(200.0)		
Minor service impact				0.0		
Major service impact				0.0		
Total Base Request Adjustments**	0.0	(3,279.0)	200.0	(3,479.0)	0.0	0.0
2006 Base Budget Request	7,368.0	782,735.9	32,431.7	750,304.2	0.0	0.0
2006 Program Operating Target	N/A	N/A	N/A	730,425.3		
% Over (Under) Program Target	N/A	N/A	N/A	2.7		
% Over (Under) 2005 Approved Budget	(0.1)	4.5	(0.5)	4.8		

* Based on Program Submission

** Includes Reductions of \$3.479 million net

Section C: 2006 Base Budget Issues**Key Issues / Recommendations**

The 2006 Base Budget Request is \$19.879 million or 2.7% above the 2% target. The 2006 Base Budget Request includes 5,297 uniform staff and 2,071 civilian staff, for a total complement of 7,368 positions.

The following are short-term and longer term issues:

Other Base Budget Changes**Base Budget Reductions**

The 2006 Base Budget submitted by the Toronto Police Service staff is \$750.304 million net, \$34.201 million net or 4.8% above its 2005 Approved Net Budget of \$716.103 million. The 2006 Budget includes a reduction of \$3.479 million net to the Base comprised of the following, which do not compromise service:

- \$1.000 million decrease in salaries due to revised cost estimates based on more current information;
- \$0.720 million decrease in salary costs for premium and acting pay through current initiatives being developed for premium pay, and the implementation of guidelines or criteria for acting assignments;
- \$0.731 million decrease in benefits costs based on more current benefits projections for medical and dental costs, and a Workers Safety Insurance Board rate reduction;
- \$0.350 million savings from a new negotiated multi-year photocopier contract; and,
- \$0.315 million decrease in gasoline funding due to budgeting at a revised price of \$0.90 per litre versus \$0.95.

Service Level Changes**Redeployment to Uniform**

In response to Council's priority of "Strengthening Our At-Risk Neighbourhoods", the Chief of Police and the Toronto Police Services Board have undertaken a number of initiatives; their primary initiative being the redeployment of 200 positions to Uniform positions which will place more officers in neighbourhoods as well as in community policing. The redeployment has started and will continue into 2006, and is not expected to yield any direct savings.

It is recommended that the Chief of Police be requested to report back to the Budget Advisory Committee prior to the start of the 2007 budget process on the new staffing strategy with respect to the redeployment of 200 positions to uniformed positions i.e. the criteria for redeployment, whom to redeploy, to and from which department, which services will be impacted or eliminated to accommodate this redeployment, and the resultant impact on base policing activity.

Revenue Changes

The Toronto Police Service has identified an additional source of revenue to assist in achieving the 2006 2% target. The 2006 Base Budget Request identified a \$0.200 million increase in the revenue estimated fees charged to prepare clearance letters based on the 2005 experience.

Additional revenue changes can potentially be identified upon analysis of 2006 revenues compared to the 2005 Approved Budget and 2005 experience. Therefore it is recommended that the Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the reasons why 2006 revenues are not budgeted to achieve 2005 projected actual levels or 2005 Approved Budget levels.

Efficiency Savings

In order to achieve the guideline level of 2% over the 2005 Approved Operating Budget, Toronto Police Service will either have to make further base expenditure reductions of \$19.879 million net, or seek out additional sources of revenue. Toronto Police Service has thus far identified further efficiency savings of \$3.479 million to bring the budget closer to their 2% target guideline; however the Toronto Police Services Board is requested to report back to the Budget Advisory Committee in February 2006 with reduction options including revenue changes to achieve the 2% target of \$730.425 million, and that the Chief of Police be requested to report back to the Budget Advisory Committee before the start of the 2007 budget process on the results of reviews that the Service is undertaking to determine additional efficiencies and savings.

Downloaded Costs

A number of functions currently performed by the Toronto Police Service are not necessarily core policing functions and should more appropriately be funded by other orders of government. The following is a list of those functions/activities and the related costs included in the Toronto Police Service budget:

	<u>\$ million</u>
<u>Federal:</u>	
Marine Unit (including Lifeguards and Marine repairs)	<u>5.6</u>
<u>Provincial:</u>	
School Crossing Guards	6.1
Court Security	35.9
Policing Provincial highways, QEW east of 427, Highways 27, 2, and 2A downloaded in 1997 without funding. Cost is for 15 police constables	<u>1.2</u>
Subtotal	<u>43.2</u>
 Total	 <u>48.8</u>

In addition to the above, provincial cost-sharing for the 250 new officers is capped at \$35,000 per year and could result in an annual average full exposure of \$49,800 for salary plus benefits per First Class Police Constable.

Off-Duty Day Court

The Toronto Police Services Board has recently approved premium pay for off-duty officers to attend court during the day. This proposal however, still requires Council approval. Its impact on the Toronto Police Service budget is a net zero since recoveries from the City should match the expenditures.

Cost of Policing

The cost of policing in Toronto is 23.8% of every tax dollar (2005 Operating Budget), which is higher than that of other large cities and municipalities within Canada. The Toronto Police Services Board is therefore requested to report back to the Budget Advisory Committee in February 2006 on the comparison of policing as a percentage of every tax dollar versus comparable police forces in large cities and municipalities across Canada;

Human Resources Command

During the Administrative Review of the 2006 Operating Budget with the Toronto Police Services Board, there was a concern raised that the budget and staffing rate per total number of employees is high relative to the City's. The explanation that ensued was that the Toronto Police Service's Human Resources Command has responsibility for unique elements that the City does not, such as the Police College and security checks.

It is therefore recommended that the Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the comparison of Toronto Police Service's Human Resources staffing and spending rate per total number of employees versus comparable police forces in large cities and municipalities across Canada.

3 Year Operating Budget Overview

Over the next 18 months, the Toronto Police Services Board, in partnership with the Chief of Police, will be developing a Strategic Plan to identify best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond.

The Toronto Police Services Board will also establish a Strategic Planning Sub-Committee comprised of the Chair, the Chief of Police and at least one other Board member, to develop the terms of reference for the Strategic Plan and to act as a "steering committee" throughout the strategic planning process.

The Toronto Police Service is mandated by the Police Services Act (Section 4 (2)) to provide:

- (2) Adequate and effective police services must include, at a minimum, all of the following police services:
 1. Crime prevention

2. Law enforcement
3. Assistance to victims of crime
4. Public order maintenance
5. Emergency response

Service Levels, Delivery, or Gap Issues

To address service gaps, the Toronto Police Service is redeploying 200 positions to uniformed positions, and will be placing 250 more officers in neighbourhood and community policing assignments by the end of 2007. Provincial funding has allowed the Toronto Police Service to budget for an additional 250 officers for \$1.900 million net 2006 and \$4.700 million net in 2007, to help address service level gaps over the next 3 years.

Therefore it is recommended that the Chief of Police, as per the report received by the Toronto Police Services Board on December 15, 2005 regarding the 2006 Toronto Police Service Operating Budget, be requested to report back to the Budget Advisory Committee prior to the start of the 2007 budget process, with medium and long term strategies for policing that identify best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond.

Issues Referred to 2006 Operating Budget Process

There are no issues referred to the 2006 Operating Budget process.

Outstanding Issues from 2005 and Prior Years**Recovery of Incremental Costs of Policing the Entertainment District**

It was proposed that the incremental costs (approximately \$2.0 million annually) of policing the Toronto Entertainment District at peak periods during the week be recovered from the businesses within the Entertainment District. On January 25, 2005, the Budget Advisory Committee considered a briefing note from the Chief of Police with respect to the additional costs of policing the Entertainment District.

At this time it appears that the report may not have been forwarded to the appropriate City Programs for action to either incorporate a component of policing into business licenses, or to determine the legalities associated with the proposal.

Therefore it is recommended that the Deputy City Manager responsible for the Municipal Licensing and Standards Division, in consultation with City Legal Services, and other appropriate City staff, report back to the Budget Advisory Committee during the 2006 Operating Budget Process on the Toronto Police Service's proposal to recover incremental costs of policing the Toronto Entertainment District at peak periods from businesses within the Entertainment District.

Appendix A

Summary of Service Level Adjustments

PART III: NEW COUNCIL PRIORITIES

Section D: 2006 New Council Priorities Request

Table 5: Summary of 2006 New Council Priorities Request

(\$000)

Council Priority	Description	Total 2006 New Requests		2006 Not Requested		2006 Request Council Priorities		Request New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.	Gross Exp.	Net Exp.	Gross Exp.	Net Exp.		2007	2008
		\$	\$	\$	\$	\$	\$		#	\$
Council Priorities:										
	Sub-Total Council Priorities									
New Rquests Referred to 2006 Operating Budget:										
	Sub-Total Referred									
New Program Requests:										
	Safer Communities (150 New Officers)	6,300.0	1,900.0			6,300.0	1,900.0	150.0	2,059.0	882.0
	Safer Communities (54 New Officers)							54.0	741.0	318.0
	Projects Impact and Pathfinder	934.5	934.5			934.5	934.5			
	Sub-Total New Program Requests	7,234.5	2,834.5			7,234.5	2,834.5	204.0	2,800.0	1,200.0
Total New Council Priorities		7,234.5	2,834.5			7,234.5	2,834.5	204.0	2,800.0	1,200.0
Council Priority 1 - Improve Public Service 2 - Make Progress on the Waterfront 3 - Improve Business Climate 4 - Make Toronto a clean and beautiful city 5 -Strengthen our at-risk neighbourhoods 6 - Ensure housing is affordable 7 - Get the powers and funding needed for Toronto to succeed 8 - Improve the planning process 9 - Increase public involvement in civic affairs 10 - N/A										

Key Issues / Recommendations

2006 New Council Priorities

Due to budgetary restrictions, funding for new and enhanced services is strictly limited in 2006 to those requests which support Council’s highest priorities (i.e. “Clean and Beautiful City”, 3-1-1 Customer Service Strategy, Neighbourhoods at Risk and Year of Creativity). The Toronto Police Service new program request which addresses the Council priority of “Strengthen At-Risk Neighbourhoods” is the request to fund 250 new officers to be deployed to neighbourhood and community policing, and is described below.

Safer Communities – 1,000 Officers Partnership Program (250 New Officers)

Council initially approved the hiring of an additional 46 new uniform positions in March 2005 primarily for staffing the new 43 Division. In September 2005 Council approved an additional 150 new officers, for a total of 196 (46+150) new officers. More recently in December 2005, Council approved an additional 54 officers to bring the total number of new officers to 250.

The Toronto Police Service has been granted Provincial funding by the Minister of Community Safety and Correctional Services for 250 additional officers as part of the *Safer Communities – 1,000 Officer Partnership Grant Program*. This grant funding will provide cost-sharing of up to half of the salary and benefit cost, capped at \$35,000 per annum for each of the 250 new officers. The average annual salary plus benefit cost for a Toronto Police Service First Class Police Constable is approximately \$84,800 per officer, resulting in the Service’s having a cost of \$49,800 per officer (i.e. 60% of the total costs) in the latter years of the program.

The 46 new uniform positions approved by City Council in March 2005 will qualify for this funding, and the net cost is factored in to the 2006 “base” budget request. The remaining 204 officers that will be cost-shared under this program represent a new Program request of \$1.9 million for 2006 with a full year impact of \$4.7 requested in 2007. The deployment timetable of the 204 officers takes into account the following: the need to take full advantage of the provincial grant; deployment date conditions of the grant; and training facility class size restrictions. Planned deployment is as follows:

# of Additional Officers	Recruit Class	Deployment Date
50	December 2005	May 2006
50	April 2006	September 2006
50	August 2006	January 2007
54	December 2006	May 2007
Total 204		

The total funding for the 250 new officers phased in as per the table above, is indicated in the table below. The last line of the table shows the true net cost to the City per year of these additional officers, which increases year over year, to a total of \$9.0 million in 2010. These future year costs will cause the Toronto Police Service to not meet their 0% targets in 2007 and 2008.

Safer Communities Program (250 Officers)

(\$ million)	2006	2007	2008	2009	2010
Cost	\$ 8.9	\$ 16.2	\$ 18.4	\$ 20.6	\$ 21.9
Provincial Grant	(4.4)	(8.2)	(8.7)	(8.8)	(8.8)
Net Cost (250 Officers)	\$ 4.5	\$ 8.0	\$ 9.7	\$ 11.8	\$ 13.1
Less: 46 Officers in Base	(2.6)	(3.3)	(3.7)	(4.1)	(4.1)
Net Cost (204 Officers)	\$ 1.9	\$ 4.7	\$ 6.0	\$ 7.7	\$ 9.0

The funding for additional officers is supported due to the issues faced by the Toronto Police Service at this time. The hiring of the additional police officers is a Council priority and there is an urgency to addressing the issue of the City’s current crime activity and much needed support in vulnerable neighborhoods. The additional officers will be assigned to neighbourhoods and to community policing.

Given the significant financial challenges the City is facing in 2006, it will be City Council’s decision on whether to commit to funding the recruitment/training of the entire 250 new police officers in 2006/2007, or proceed with the 196 officers in 2006 and defer the December 2006 recruitment class of the additional 54 new officers for consideration with the 2007 budget process.

2006 New Program Requests

Although all recommended new program proposals are to be restricted to items that are fully funded, 1 new Program request is being recommended due to the challenges and issues faced by the Toronto Police Service before the Courts at this time. The new program request associated with additional court security is described below.

Impact of Projects “Impact” and “Pathfinder” (Enhanced Court Security)

This Toronto Police Service 2006 Operating Budget new request of \$0.934 million reflects the impact of projects “Impact” and “Pathfinder” which requires funding to provide enhanced security for gang trials resulting from projects “Impact” and “Pathfinder”. The enhanced security has been requested by the judges for the security of all in attendance in the court rooms.

It is recommended that funding of \$0.943 million for this new request be proposed and that the Toronto Police Services Board make every effort to seek Provincial funding to cover these costs.

Appendix B

Summary of Council Priority Services and New Service Requests