

Analyst Briefing Notes

Budget Committee

(February 10, 2009)

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Executive Summary

- The Toronto Police Service is dedicated to delivering police services in partnership with our communities to keep Toronto the best and safest place to be. Police services are provided maintaining the values of honesty, integrity, fairness, respect, reliability, team work and positive attitude. The Service's resources and activities are focused on child and youth safety, violence against women, people with distinct needs, targeting violence, organized crime and gangs, delivering inclusive police services, addressing community safety issues and ensuring pedestrian and traffic safety. These activities are provided through the Police's three services, Divisional Policing; Specialized Operations; and Internal Services.
- The Toronto Police Service faces both challenges and opportunities over the next three years, ensuring adequate and effective policing services, which include crime prevention, law enforcement, assistance to victims of crime, public order maintenance and emergency response. These challenges and opportunities include:
 - Challenges in the implementation of the Mayor and Council's policy agenda, ensuring our safe city is even safer through deterring people from crime and ensuring that young people have real opportunities;
 - Addressing challenges and opportunities identified in the Service's 2008 Environmental Scan as well as through consultations and community surveys.
 - Opportunities identified include:
 - The potential for further reductions to violence committed upon and by youth and opportunities for the Service to provide people with the information they need to realistically assess safety and levels of crime in their communities.
 - Challenges identified include:
 - The Service's requirement to address the diverse needs of victims of sexual assault and domestic violence, the negative impact on the quality of life in communities affected by drug activity and the safe and efficient flow of all forms of traffic.
- The Toronto Police Service's service objectives, over the next three years will address the Service's key challenges and opportunities. These include:
 - Increasing safety in and around schools;
 - Increased reporting from victims of crime;
 - Increasing trust and confidence between the Police and groups with distinct needs;

- Continuing to reduce violent crime and the availability and impact of drug activity on neighbourhoods;
 - Increasing the community perception of professionalism during contact with police;
 - Improving the Service's ability to plan, prevent, mitigate and respond to emergency incidents; and
 - Decreasing the number of road related injuries to pedestrians, cyclists and drivers.
- The 2009 Recommended Operating Budget provides base and new funding for priority actions that will address the Service's challenges, opportunities and service objectives. Key priority actions include:
 - The Toronto Anti-Violence Intervention Strategy (TAVIS) combines a focused crackdown on gangs with an emphasis on building strong community relationships. This Strategy uses community mobilization to reduce crime and disorder, make neighbourhoods safer, and bring neighbours together to keep their neighbourhood safe and liveable. This initiative specifically addresses service objectives of focusing on child and youth safety; targeting violence, organized crime, and gangs; delivering inclusive police services; and addressing community safety issues. This initiative is fully funded by the Province in the amount of \$5 million per year. An augmentation to the delivery of this strategy, utilizing \$0.900 million of the \$5 million in funding, results in an increase of 30 School Resource Officers in 2009.
 - The Youth in Policing Initiative (YIPI) which enables youth from priority neighbourhoods across Toronto to work in a variety of areas within the Toronto Police Service. This addresses the Mayor's vision of a great city, ensuring young people have real opportunities. This initiative is funded from the Province in the amount of \$0.346 million.
 - The Service's 2009 – 2011 Business Plan which identifies areas where the Service's resources and activities funded in the 2009 Recommended Operating Budget should be emphasized, such as focusing on child and youth safety, violence against women, people with distinct needs, targeting violence, organized crime and gangs, delivering inclusive police services, addressing community safety issues and ensuring pedestrian and traffic safety.
 - For 2008, the Toronto Police Service projects year-end net expenditures of \$808.715 million, which is \$13.332 million or 1.6% below the 2008 Approved Operating Budget of \$822.047 million net. This favourable variance primarily results from liabilities of \$12.800 million which were brought into income as one-time revenue following the successful resolution of recent arbitration decisions in cases of litigation with the Toronto Police Association. The Service also experienced additional savings in salary and benefits arising from higher than anticipated resignations and retirements of uniformed Officers. The Service is expected, on average, to be slightly below its authorized strength of 5,510 Officers during the year.

- Projected gross expenditure savings of \$3 million in salaries and benefits are not expected to continue into 2009 as the Service has adjusted Officer recruitment class sizes to ensure they maintain their authorized strength.

Table 1: 2009 Recommended Budget

(In \$000s)	2008		2009 Recomm'd Operating Budget			Change - 2009 Recommended Operating Budget v. 2008 Appvd. Budget		FY Incremental Outlook	
	2008 Appvd. Budget	2008 Projected Actual	2009 Base	2009 New/Enhanced	2009 Operating Budget	\$	%	2010	2011
	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	865,518.1	886,539.1	916,119.5	4,541.5	920,661.0	55,142.9	6.4	42,875.0	16,355.9
REVENUE	43,471.3	77,824.5	64,634.5	900.0	65,534.5	22,063.2	50.8		
NET EXP.	822,046.8	808,714.6	851,485.0	3,641.5	855,126.5	33,079.7	4.0	42,875.0	16,355.9
Approved Positions	7,730.0	7,722.0	7,727.0	65.0	7,792.0	62.0	0.8	7.0	
TARGET			822,046.8		822,046.8				
\$ Over / (Under) Program Target			29,438.2		33,079.7				
% Over / (Under) Program Target			3.6%		4.0%				

- The 2009 Recommended Operating Budget for the Toronto Police Service of \$855.127 million net is 4.0% or \$33.080 million above the Police Service’s 2009 budget target of \$822.047 million, which is the Service’s 2008 Approved Operating Budget following in-year adjustments made to accommodate the recent salary settlement awarded to the Police Association through arbitration and subsequently negotiated with the Senior Officers Organization.
- The 2009 Recommended Operating Budget of \$920.661 million gross and \$855.127 million net is comprised of base funding of \$851.485 million net and funding for new/enhanced service priorities of \$4.542 million gross and \$3.642 million net. Approval of the 2009 Recommended Operating Budget will result in the Service’s total staff complement increasing from 7,730 to 7,792 approved positions.
 - The 2009 Recommended Operating Budget for the Toronto Police Service results in incremental future year net impacts of \$42.875 million in 2010 and \$16.356 million in 2011. These costs primarily arise from the salary settlement awarded to the Police Association and Senior Officers Organization of \$26.661 million in 2010 and annualized impacts of \$5.613 million 2011. The Service’s lifecycle replacement strategy which increases contributions to their Vehicle and Equipment Reserve, inflationary increases to the Service’s medical and dental plans for all full time permanent employees and increases in caretaking and maintenance costs for Police facilities will also result in combined incremental future year costs of \$7.117 million in 2010 and \$7.553 million in 2011.
 - The 2011 Outlook does not include any potential impacts from 2011 contract negotiations, following the expiration of the current 2008 – 2010 contract.

- The 2009 Recommended Operating Budget of \$855.127 million net incorporates the Service's key cost drivers, including the 2009 impact of the salary settlement awarded through arbitration to the Police Association and later agreed upon with the Senior Officers Organization, Officer reclassification costs, inflationary increases to benefits, increased contributions to the Vehicle and Equipment Reserve as part of the lifecycle replacement strategy and caretaking and maintenance costs for the new training facility that total \$39.349 million. These cost pressures are partially offset by savings arising from the reversal of funding for the 2008 extra day (leap) of \$1.444 million net and an unspecified reduction of \$5.315 million net. The Toronto Police Services Board is requested to report to Budget Committee on March 3, 2009 with detailed sustainable service level adjustments to achieve the unspecified reduction.

- The 2009 Recommended Operating Budget incorporates funding for new service priority actions that advance the Mayor's mandate and Council's policy agenda of Making Our Safe City Even Safer, as well as advance the Service's service objectives. Major activities include:

The Toronto Anti-Violence Intervention Strategy (TAVIS) combines a focused crackdown on gangs with an emphasis on building strong community relationships. As part of the \$5.000 million in provincial funding for this program, funding of \$0.900 million gross and \$0 net is provided for the augmentation of this strategy in 2009 which results in an increase of 30 School Resource Officers effective January 1, 2009.

35 Additional Civilian Staff with funding of \$1.433 million gross and net is identified in the 2009 Recommended Operating Budget, with net incremental impacts to the Service of \$1.270 million in 2010 and \$0.372 million in 2011. This new service priority will promote a more efficient and effective public service through:

- Addressing increased workload in the Human Resources Command;
 - Assist in the hiring of youth for the Youth in Policing Initiative (YIPI) program;
 - Ensuring reliable information systems within the Service;
 - Increasing the value of crime analyses;
 - Allowing the Service to comply with Centralized Canadian Police Information Centre (CPIP) rules that the RCMP has deemed mandatory for all police agencies across Canada by November 30, 2009; and
 - Addressing the growing number of court process requests and address the lack of information flowing in and out of the Intelligence Division which is required to accurately and effectively collect, collate, evaluate, analyze and disseminate intelligence data on criminal activity and threats to public safety.
- The 2009 Recommended Operating Budget for the Toronto Police Service provides funding for the Police to continue improvements to the Service and sustain community benefits.
 - The Service will maintain an average deployed uniform strength of 5,510 Officers plus an additional 30 School Resource Officers delivering police services in partnership with our communities.

- The Toronto Police Service will continue to focus on the reduction of crime occurrences as experienced in 2007, and reported in the 2008 Environmental Scan. This included 194,151 non-traffic *Criminal Code* offences occurring in Toronto which represents a decrease of 5.0% from levels experienced in 2006. In 2007 all major categories of crime showed decreases including:
 - Decrease of 19.2% for homicides;
 - 17.8% decrease for offensive weapons;
 - 6.7% decrease in drugs;
 - 2.5% decrease in violent crime;
 - 4.1% decrease in property crime;
 - 2.0% decrease in assaults;
 - 0.9% decrease in sexual assault;
 - 3.6% decrease in robbery;
 - 6.4% decrease in auto theft; and
 - 4.8% decrease in fraud.
- Continued security for 263 Provincial courtrooms within the City will be provided.
- Police services provided to the public will continue to utilize a fleet of 1,349 cars, 92 motorcycles, 23 boats, 28 horses and 120 other modes of transportation ensuring the most efficient and effective use of the Service's resources.
- The Service's ongoing strategy to reduce capital debt through the stabilization of contributions to the Vehicle and Equipment Reserve by 2012 will be continued.

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. City Council approve the 2009 Recommended Operating Budget for the Toronto Police Service of \$920.661 million gross and \$855.127 million net, comprised of the following service:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Toronto Police Service	<u>920,661.0</u>	<u>855,126.5</u>
Total Program Budget	<u>920,661.0</u>	<u>855,126.5</u>

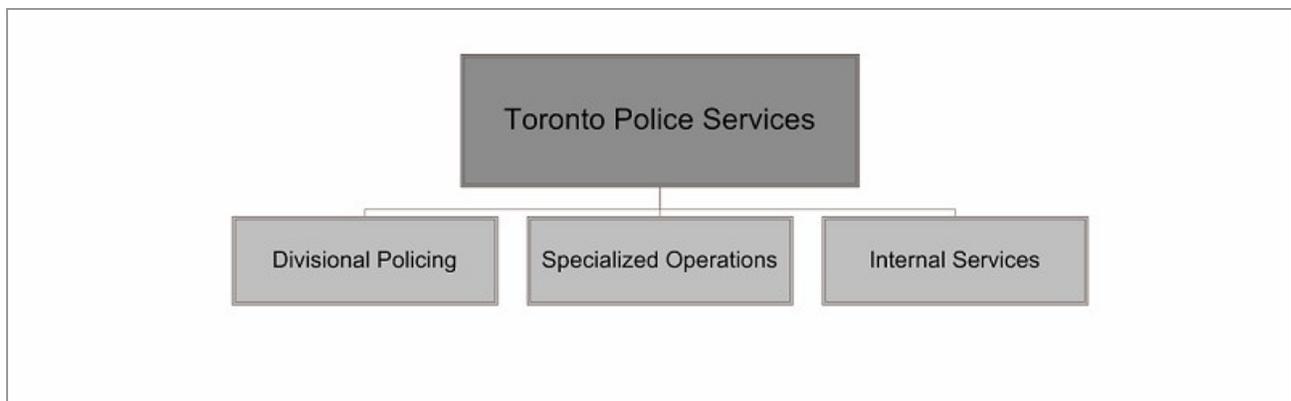
2. the Toronto Police Services Board report to Budget Committee on March 3, 2009 with specific sustainable budget reductions to accommodate a \$5.315 million net reduction from the 2009 Budget Request approved by the Toronto Police Services Board on January 22, 2009 to achieve the Recommended Operating Budget of \$920.661 million gross and \$855.127 million net in 2009; and
3. the Toronto Police Services Board, following consultation with the Chief of Police and the final confirmation of outstanding details of the Police Officers Recruitment Fund, report to Budget Committee identifying adjustments required to include 38 additional Officers within the Police Service’s Recommended Operating Budget of \$920.661 million gross and \$855.127 million net in 2009.

The Toronto Police Service is dedicated to delivering police services in partnership with our communities to keep Toronto the best and safest place to be.

Every three years, the Toronto Police Service, along with the Toronto Police Services Board determines areas within the mandated responsibilities of the Service, where the focus of resources and activities should be emphasized. Seven areas of priority identified in the 2009 – 2011 Business Plan, which was approved by the Board on December 18, 2008 include focusing on child and youth safety, violence against women, people with distinct needs, targeting violence, organized crime and gangs, delivering inclusive police services, addressing community safety issues and ensuring pedestrian and traffic safety.

These focused activities are provided through the Police’s three services, Divisional Policing; Specialized Operations; and Internal Services.

Program Map



Service Challenges and Opportunities

The Toronto Police Service has specific legislated responsibilities under the *Police Services Act*, to ensure adequate and effective police services in the city. The Police Service also supports the Mayor’s vision to make our Safe City Even Safer. The following highlights the Police Service’s key challenges and opportunities:

Implementation of the Mayor’s Mandate and Council’s Policy Agenda

The Toronto Police Service will continue to address the necessary challenges in support of the Mayor’s vision to make our safe city even safer through deterring people from crime and ensuring that young people have real opportunities.

Community Policing

The Toronto Police Service is responsible for delivering policing services to a dynamic and very diverse community. To assess the demands and challenges of policing in the City of Toronto, as well as the Service’s ability to respond to those demands and challenges, the Service performs a

comprehensive environmental scan every three years. The process includes extensive public and internal consultation, research and statistical analysis. Key challenges and opportunities for service delivery identified from the 2008 Environmental Scan are as follows:

- The opportunity to further increase safety of youth and decrease crime committed by young persons (12 – 17 years old);
- As noted in the 2008 Environmental Scan, Statistics Canada reports that fewer than 1 in 10 sexual assault victims report to police. This creates a challenge for the Service to assist victims of crime as well as ensure crime prevention and law enforcement;
- Community surveys identified guns and gangs as two of the most serious policing problems in Toronto. Drugs were also identified as a serious problem for some neighbourhoods resulting in a negative impact on the quality of life in those affected communities; and
- Challenges in ensuring the safety of pedestrians, cyclists, and drivers and the safe and efficient flow of traffic were identified in the community survey as one of the most serious problems affecting neighbourhoods in the City.

Incidents that can affect a large number of people, such as large scale emergency events, hate crime, crime facilitated by technology, or crimes which may affect entire communities create a challenge for the Service to ensure they have the ability and are prepared to deal such incidents and the opportunity for the Service to provide people with the information they need to realistically assess safety and levels of crime in their communities.

Service Objectives

The Toronto Police Service has established service objectives for the next 3 year period to address its challenges and opportunities. The Service's key service objectives include:

Focusing on Child & Youth Safety

- Increase safety in and around schools and promote student trust and confidence in police.
- Provide youth with crime prevention and safety information, and encourage reporting.

Focusing on Violence Against Women

- Improve the provision of support, follow-up information, and referrals to victims.
- Increase reporting by victims.

Focusing on People with Distinct Needs

- Increase trust and confidence between the police and groups such as seniors, Aboriginal people, newcomers to Toronto, homeless people and those with mental illness.

- Increase the number of referrals to Victim Services, ensuring that all victims of violence, including the families and friends of victims if appropriate, have access to victim services and support.

Targeting Violence, Organized Crime, and Gangs

- Reduce violent crime, especially shootings, and illegal gun activity, specifically through a decrease in the number of shootings and the rate of violent crime and an increase in the number of firearms seized.
- Reduce the availability and impact of drug activity on neighbourhoods.

Delivering Inclusive Police Services

- Increase in the community perception of professionalism during contact with police and decrease the proportion of community who believe that Toronto Police officers target members of minority or ethnic groups for enforcement.
- Increase in the number of uniform and civilian applicants who are women and/or a visible minority.

Addressing Community Safety Issues

- Improve the Service's capacity to plan for, prevent, mitigate, respond to, and/or recover from emergency incidents.
- Improve the Service's ability to analyze crimes committed using technology (computer assisted crimes), particularly frauds and identity theft.

Ensuring Pedestrian and Traffic Safety

- Decrease the number of road-related injuries to pedestrians, cyclists and drivers.

Priority Actions

The 2009 Recommended Operating Budget for the Toronto Police Service directly advances, through a number of initiatives, the following strategic priorities outlined in the Mayor's mandate and Council's policy agenda:

Making a Safe City Safer:

Toronto Anti-Violence Intervention Strategy (TAVIS): The Toronto Police Service will continue the successful Toronto Anti-Violence Intervention Strategy which is fully funded by the Province in the amount of \$5 million per year, and combines a focused crackdown on gangs with an emphasis on building strong community relationships. The 2009 Recommended Operating Budget, through Provincial funding, will provide for an increase of 30 School Resource Officers for this initiative.

The Strategy uses community mobilization to reduce crime and disorder, make neighbourhoods safer, and bring neighbours together to keep their neighbourhood safe and liveable. This initiative

specifically addresses service objectives of focusing on child and youth safety; targeting violence, organized crime, and gangs; delivering inclusive police services; and addressing community safety issues.

The Toronto Police Service has reported that TAVIS is working well and is a key part of the Service's comprehensive plan for building a meaningful relationship with all communities in the City and it continues to ensure the Mayor's priority of making a safe City safer.

Gun Violence: The Chief of Police will continue pursuing discussions with the federal government to advocate for:

- No bail for anyone who commits a crime while in possession of a gun;
- Complete ban on handguns and all semi-automatic weapons;
- Significantly increase enforcement measures;
- Actively seek the cooperation of the United States government to prevent international gun trafficking; and
- Develop an effective gun registry.

Youth in Policing Initiative (YIPI): The Toronto Police Service will continue to provide the Youth in Policing Initiative funded by the Province in the amount of \$0.346 million, enabling youth from priority neighbourhoods across Toronto to work in a variety of areas within the Toronto Police Service. The objective of the program is to acquaint youth with the police and develop potential career opportunities.

In 2008, approximately 100 youth had summer employment with the Toronto Police Service as part of the YIPI. This innovative program allowed young people to work one-on-one with Service members, from Forensic Identification Services to the Marine Unit and addresses the Mayor's vision of a great City, ensuring young people have real opportunities in the City.

2009 – 2011 Business Plan: The Toronto Police Services Board approved the Police Service's 2009 - 2011 Business Plan which identifies where the Service's resources and activities should be emphasized. Areas identified for focus include child and youth safety, violence against woman, people with distinct needs, targeting violence, organized crime and gangs, delivering inclusive police services, addressing community safety issues and ensuring pedestrian and traffic safety.

Funding is provided in the Toronto Police Service's 2009 Recommended Base Budget for the Service to advance the 2009 – 2011 Business Plan through the provision and/or support of many programs and services including but not limited to the following examples:

- The Empowered Student Partnership Program;
- The Public Education and Crime Eradication Project;
- The Newcomer Outreach Program which explains the rights and responsibilities under Canadian law for new immigrants;

- Family Services, addressing domestic violence and child abuse;
- The Kid's Safety Zone website to offer answers to questions that many kids and teens may have; and
- Traffic Services and numerous other crime prevention programs.

Table 2: 2008 Budget Variance Review

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals*	2008 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	849,809.1	865,518.1	886,539.1	21,021.0	2.4
REVENUES	70,383.7	43,471.3	77,824.5	34,353.2	79.0
NET EXP.	779,425.4	822,046.8	808,714.6	(13,332.2)	(1.6)
Approved Positions	7,713.0	7,730.0	7,680.0	(50.0)	(0.6)

Note:*Source Toronto Police Service 2008 Preliminary Year-End Variance Report.

2008 Experience

The Toronto Police Service's Preliminary Year-End Variance report projects that the Service will experience \$13.332 million or 1.6% in under-spending below the 2008 Approved Operating Budget of \$822.047 million by year-end.

2008 year-end gross expenditures are projected to be \$886.539 million, above the 2008 Approved Budget of \$865.518 million by \$21.021 million or 2.4%. Increased expenditures primarily result from a change in budgeting and accounting policy, detailed below. Net savings resulting from \$3.0 million in under expenditures primarily in Salaries & Benefits are the result of projected higher than anticipated resignations and retirements of uniformed Officers. The Service is expected, on average, to be slightly below its authorized strength of 5,510 Officers during the year.

2008 projected year-end actual revenue of \$77.825 million is over the 2008 Approved Budget of \$43.471 million by \$34.353 million or 79.0%. The Police Service's projected favourable variance is primarily due to \$12.800 million in liabilities which were brought into income as one-time revenue following the successful resolution of recent arbitration decisions in cases of litigation with the Toronto Police Association. A change in budgeting and accounting policy, detailed below, resulted in additional revenue of \$12.844 million. The Service is also projecting additional revenue for paid duties, secondment and grants.

A change in budgeting and accounting policy for the recoverable expense of Officers time in Provincial Offences Act (POA) courtrooms and benefits paid from the Central Sick Bank and Sick Leave reserves results in a \$12.844 million increase to both projected expenditures and revenues. These recoverable expenditures had been budgeted in a contra-expenditure account where expenses are reimbursed in the same account resulting in no gross or net impact to the budget. These costs and recoveries are budgeted separately in the 2009 Recommended Operating Budget resulting in an increase to Salary and Benefit expenditures as well as an increase to revenues.

Impact of 2008 Operating Variance on the 2009 Recommended Budget

- The projected 2008 net expenditure savings of \$13.332 million is not expected to continue into 2009. Liabilities moved into income due to the successful resolution of recent arbitration decisions represents one-time revenue which will not be repeated in 2009, and an increase in resignations and retirements of uniformed Officers experienced in 2008 will not impact the 2009 Recommended Budget as the Service has adjusted recruitment class sizes to ensure they maintain their authorized strength of 5,510 Officers in 2009.
- Changes in budgeting and accounting policy, as noted above will result in an increase of \$14.244 million to both budgeted expenditures and revenues, ensuring the 2009 Recommended Operating Budget for the Toronto Police Service accurately reflects gross expenditures and revenues.

Table 3: 2009 Recommended Base Budget

(In \$000s)	2008 Appvd. Budget	2009 Recommended Base	Change		FY Incremental Outlook	
			2009 Recommended Base v. 2008 Appvd. Budget		2010	2011
	\$	\$	\$	%	\$	\$
GROSS EXP.	865,518.1	916,119.5	50,601.4	5.8	36,405.2	15,983.9
REVENUE	43,471.3	64,634.5	21,163.2	48.7		
NET EXP.	822,046.8	851,485.0	29,438.2	3.6	36,405.2	15,983.9
Approved Positions	7,730.0	7,727.0	(3.0)	(0.0)		
NET TARGET		822,046.8				
\$ Over / (Under) Program Target		29,438.2				
% Over / (Under) Program Target		3.6%				

2009 Recommended Base Budget

The 2009 Recommended Base Budget expenditures of \$916.120 million gross, reflect an increase of \$50.601 million or 5.8% compared to the 2008 Approved Operating Budget of \$865.518 million. The increase in gross expenditures includes the 2009 impact of the salary settlement, the annualized impact of 2008 replacement hires and reclassification costs, the continued increased contributions to the Vehicle and Equipment Reserve and the cost of 2009 replacement hires.

The 2009 Recommended Base Budget revenues of \$64.635 million are \$21.163 million or 48.7% higher than the 2008 Approved Operating Budget. The increase reflects a change in budgeting procedures arising from a change in accounting policy, which offsets \$14.244 million in increased expenditures, as well as additional revenue from safe school grants and an increase in off-duty premium pay recovery.

The 2009 Recommended Base Budget of \$851.485 million net represents a \$29.438 million or 3.6% increase over the Toronto Police Service's 2009 budget target of \$822.047 million while maintaining 2008 service levels, and decreasing 3 civilian positions following the identification of vacant positions which were unfunded and not attached to any unit within the Service. The 2009 Recommended Base Budget includes cost-of-living adjustments (COLA), which have been awarded through arbitration to the Police Association and subsequently agreed upon with the Senior Officers Organization.

2009 Key Cost Drivers and Reduction Strategies

The 2009 Recommended Base Budget provides funding for the following key cost drivers:

- Increases to salaries and benefits of \$34.699 million net, including \$16.700 million for the 2009 impact of the salary settlement awarded through arbitration to the Police Association and later agreed upon with the Senior Officers Organization, \$10.594 million for Officer reclassification costs and \$7.405 million for inflationary increases to benefits;
- Further increases to salaries and benefits of \$22.627 million arise from the annualized impact of 2008 Officer replacement hires and the anticipated impact of 2009 replacements hires. These costs are fully offset resulting in a net savings of \$6.103 million following the full year impacts of 2008 resignations and retirees (separations) and the anticipated impact of 2009 separations resulting in a combined savings of \$28.730 million;
- Increases to non-labour costs of \$4.650 million net, including \$2.950 million for the continued increase of contributions to the Vehicle and Equipment Reserve to continue the lifecycle replacement strategy and \$1.700 million for caretaking and maintenance costs arising from the completion of the new training facility.
- These key cost drivers are partially offset by savings arising from the reversal of funding for 1 extra working day in 2008 (leap year) of (\$1.444 million net) and an unspecified reduction (\$5.315 million net). The Toronto Police Services Board is requested to report to Budget Committee on March 3, 2009 with detailed sustainable service level adjustments to achieve the unspecified reduction.

2010 and 2011 Outlook: Net Incremental Impact

Approval of the 2009 Recommended Base Budget for the Toronto Police Service will result in 2010 incremental impact of \$36.405 million and 2011 incremental impact of \$15.984 million to maintain the 2009 level of service and staff complement. Future year costs are primarily attributed to the following:

- The salary settlement awarded to the Police Association and the Senior Officers Organization results in 2010 incremental costs of \$26.661 million for the Service. This contract which expires at the end of 2010 will also result in additional annualized impacts of \$5.613 million to the Service in 2011;
- Inflationary increases to the Service's comprehensive medical and dental plans for all full time permanent employees as well as the costs for the administration of these benefits are anticipated to result in incremental costs of \$2.747 million in 2010 and additional costs in 2011 of \$3.053 million; and
- The lifecycle replacement strategy, which requires an annual increase in the contribution to the Service's Vehicle and Equipment Reserve, will result in additional expenditures of \$2.800 million in 2010 and another pressure of \$2.800 million in 2011. Contributions to this reserve will stabilize in 2012.

Table 4

2009 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2009 Recommended		Rec. New Positions	Net Incremental Impact	
	Gross Exp.	Net Exp.		2010	2011
	\$	\$	#	\$	\$
Enhanced Services:					
(a) Enhanced Services - Council Approved					
(b) Enhanced Services - Program Initiated					
Sub-Total Enhanced Services	0.0	0.0	0.0	0.0	0.0
New Services:					
(a) New Services - Council Approved					
(b) New Services - Program Initiated (Subject to Change)					
Police and Community Automated Notification System Coordinator	42.5	42.5	1.0		
Civilian Staffing Advisors	35.3	35.3	2.0	106.0	
Youth in Policing Initiative Temporary Clerk	10.6	10.6			
SAP Coordinator	18.9	18.9	1.0	56.5	
Enterprise Information Security Architect	29.7	29.7	1.0	89.3	
Senior Programmers for Information System Services	56.8	56.8	2.0	170.6	
Senior Analyst for the Project Management Office	31.1	31.1	1.0	93.2	
Centralized Canadian Police Information Centre (CPIC) Entry	997.7	997.7	15.0		
Court Process Coordinators	36.4	36.4	2.0	109.2	
43 Division Admin Assistant	14.1	14.1	1.0	42.2	
Strategic Analysis and Assessment Section Staff	159.6	159.6	9.0	602.8	372.0
School Resource Officers (TAVIS)	900.0	0.0	30.0		
Closing the Gap Strategy	2,208.8	2,208.8		5,200.0	
Sub-Total New Services	4,541.5	3,641.5	65.0	6,469.8	372.0
Total New/Enhanced Services	4,541.5	3,641.5	65.0	6,469.8	372.0

2009 Recommended New / Enhanced Service Priority Actions

The 2009 Recommended Operating Budget for the Toronto Police Service from the City Manager and Acting Chief Financial Officer is \$5.315 million below the Budget Request approved by the Toronto Police Services Board on January 22, 2009. It is recommended that the Police Services Board report to Budget Committee with specific sustainable budget reductions to achieve the 2009 Recommended Budget of \$920.661 million gross and \$855.127 million net. As such, the following new service priority actions approved as part of the Service's Budget Request may be subject to further review, possible changes, or deferrals.

New Service Priority Actions – Program Initiated***Toronto Police Service: New Service Priorities, As Approved by the Toronto Police Services Board***

The 2009 Recommended Operating Budget for the Toronto Police Service provides funding for an increase of 35 civilian staff in various positions, an increase of 30 School Resource Officers as part of the Toronto Anti-Violence Intervention Strategy (TAVIS) which is Provincially funded and additional funds for the Police Service's closing the gap strategy. These new service priority actions directly support the Mayor's vision to make our safe city even safer.

The 2009 Recommended Operating Budget identifies funding of \$4.542 million gross and \$3.642 million net for these new service priorities. These initiatives will also result in net incremental impacts to the Service of \$6.470 million in 2010 and \$0.372 million in 2011.

Details of these new service priorities are as follows:

Police and Community Automated Notification System (PCANS) Coordinator

- The PCANS Coordinator will serve as the Service Hiplink expert and will be responsible for reporting, liaison with PCANS Unit Coordinators and the vendor, reporting on log usage, system errors and complaints, access control, training, corporate messages and liaison with the Information Security Unit. This new service priority results in an increase of 1 civilian position effective January 1, 2009.
- The 2009 Recommended Operating Budget identifies funding of \$0.043 million gross and net for this new service priority, without a net incremental impact in 2010.

Civilian Staffing Advisors

- The Human Resources Command has experienced a workload increase of approximately 40% over the last three years for their four current Staffing Advisors. This new initiative provides for an increase of 2 Civilian Staffing Advisors effective October 1, 2009 to address increased workloads and to enhance the level of customer service within the Police Service's units and ensure timely placement of qualified candidates in civilian positions.
- The 2009 Recommended Operating Budget identifies funding of \$0.035 million gross and net for this new service priority, with a net incremental impact of \$0.106 million in 2010.

Youth in Policing Initiative (YIPI) Temporary Clerk

- This new service priority provides funding for an increase of 1 temporary seasonal clerk to assist in hiring youth for the YIPI program from January to September. This new priority will provide additional assistance in the intake and processing of YIPI files, dealing with correspondence, calls, HRMS entries, interviewing, preparing files for background, form completion, preparing offers, scheduling tours, site visits and supervision of youth.
- The 2009 Recommended Operating Budget identifies funding of \$0.011 million gross and net for this new service priority.

SAP Coordinator

- This service enhancement reflects an increase of 1 civilian staff position effective October 1, 2009 for an SAP Coordinator to maintain SAP master data and tables, administer user access, assist in assessing training requirements, preparing training manuals, analyzing information and to advise units of system requirements.
- The 2009 Recommended Operating Budget identifies funding of \$0.019 million gross and net for this new service priority, with a net incremental impact of \$0.057 million in 2010.

Enterprise Information Security Architect

- An increase of 1 permanent Enterprise Information Security Architect position effective October 1, 2009 will ensure reliable information systems for the Police Service. This will be accomplished through the completion of all planned system applications and technical infrastructure releases, as well as acquiring or developing, implementing and supporting application systems and infrastructure technologies.
- The 2009 Recommended Operating Budget identifies funding of \$0.030 million gross and net for this new service priority, with a net incremental impact of \$0.089 million in 2010.

Senior Programmers for Information System Services

- This new service priority will improve crime analysis by providing increased consulting and training services. Funding of \$0.057 million net is required for an increase of 2 Senior Programmer positions effective October 1, 2009 to provide analytical and development support for the applications utilized by the Analyses Section of Corporate Planning, Professional Standards, Investigative and Risk Management Units.
- The 2009 Recommended Operating Budget identifies funding of \$0.057 million gross and net for this new service priority, with a net incremental impact of \$0.171 million in 2010.

Senior Analyst for the Project Management Office

- An increase of 1 permanent Senior Analyst position for the Project Management Office effective October 1, 2009 will provide back up resource and support succession planning in the Project Management Office (PMO), to provide necessary resources to improve user adoption and benefit realization of the investment made in Planview Project Portfolio Management and increase the value of the PMO by providing increased consultant and training services.
- The 2009 Recommended Operating Budget identifies funding of \$0.031 million gross and net for this new service priority, with a net incremental impact of \$0.093 million in 2010.

Centralized Canadian Police Information Centre (CPIC) Entry

- The Service will remove the CPIC component from eCOPS and centralize all CPIC entry at Records Management Services through an increase of 15 permanent civilian staff positions effective January 1, 2009. This will allow the Service to comply with CPIC rules that the RCMP has deemed mandatory for all police agencies across Canada by November 30, 2009.

Centralized entry is the most efficient method for entry and will eliminate the need for Service wide training and decrease a component of the data entry requirements of Officers in the field.

- The 2009 Recommended Operating Budget identifies funding of \$0.998 million gross and net for this new service priority.

Court Process Coordinators

- The Toronto Police Service will address the growing number of court process requests and the new processing requirements through an increase of 2 permanent civilian Court Process Coordinator positions effective October 1, 2009. This need is currently being addressed through a member of the Service on loan from Records Management Services (RMS), however due to pressures within RMS, this loan cannot continue indefinitely.
- The 2009 Recommended Operating Budget identifies funding of \$0.036 million gross and net for this new service priority, with a net incremental impact of \$0.109 million in 2010.

43 Division Admin Assistant

- This new service priority addresses workload demands at 43 Division through an increase of 1 permanent civilian Administrative Assistant position effective October 1, 2009.
- The 2009 Recommended Operating Budget includes funding of \$0.014 million gross and net for this new service priority, with a net incremental impact of \$0.042 million in 2010.

Strategic Analysis and Assessment Section Staff

- The Service, through this new service priority action will address the lack of information flowing in and out of the Intelligence Division, which is required to accurately and effectively collect, collate, evaluate, analyze and disseminate intelligence data on criminal activity and threats to public safety. This new initiative will result in an increase of 16 permanent civilian staff positions, which includes 11 Clerks, 3 Researchers and 2 Senior Analysts. The increase in staff would be phased over 2 years; to 9 positions effective October 1, 2009 and an additional 7 staff effective October 1, 2010.
- The 2009 Recommended Operating Budget identifies funding of \$0.160 million gross and net for this new service priority, with a net incremental impact of \$0.603 million in 2010 and \$0.372 million in 2011.

School Resource Officers for the Toronto Anti-Violence Intervention Strategy (TAVIS)

- The Toronto Police Service added 30 School Resource Officers in September 2008 as part of an augmentation to the Toronto Anti-Violence Intervention Strategy (TAVIS) which combines a focused crackdown on gangs with an emphasis on building strong community relationships. These Officers will be added through a reallocation of provincial funding for this program and result in an increase to the Service's average deployed uniform strength of 5,510 to 5,540.
 - 2009 represents the third year of the TAVIS program which is fully funded from the Province in the amount of \$5.000 million per year, beginning in June of each year. The 2009 Recommended Operating Budget provides funding of \$0.900 million gross and \$0

net for the increase of 30 Officers for 6 months beginning in January 2009. Once Provincial funding for this program is removed, 30 fewer Officers will be in the Service's following recruitment class and the Police Service would revert back to its average deployed uniform strength of 5,510 Officers.

Closing the Gap Strategy

- The Service's Closing the Gap strategy will allow the Toronto Police Service to gradually increase the size of recruitment classes to ensure 5,510 uniformed Officers are available for deployment at all times, while accounting for secondment, paternal and other forms of leave.
- The 2009 Recommended Operating Budget identifies funding of \$2.209 million gross and net for this new service priority, with a net incremental impact of \$5.200 million in 2010. The Police Service would require a total net incremental increase in funding of \$7.409 million following the completion of this strategy, which is phased over two years.

2009 Budget Issues

2009 Recommended Operating Budget vs. Guideline

The Toronto Police Service's 2009 Recommended Operating Budget is \$920.661 million gross and \$855.127 million net, including COLA, which was awarded through arbitration to the Police Association and subsequently agreed upon with the Senior Officers Organization. The 2009 Recommended Operating Budget for the Police Services is \$33.080 million or 4.0% above the operating target of \$822.047 million net.

The Toronto Police Service's 2009 Recommended Operating Budget is above the operating target primarily as a result of increased salary and benefit costs arising from the 2009 impacts of the awarded salary settlement, the full year impact of 2008 replacement and reclassification costs, the cost of 2009 replacement hires and inflationary increases to the Service's comprehensive medical and dental plans.

Wherever possible, the Service has offset increased expenditures and the Police Board will report back to Budget Committee with detailed service level adjustments to achieve a recommended reduction of \$5.315 million, however any further reductions below this level would result in significant service level impacts.

Reduction Strategies

The Toronto Police Services Board approved the Toronto Police Service's 2009 Operating Budget Request on January 22, 2009 and forwarded it to the City Manager and Acting Chief Financial Officer as well as the Budget Committee for review and recommendation. The Board also approved on December 18, 2008, in an earlier version of the Budget Request, prior to the inclusion of the awarded salary settlement the following motion:

That (Police) staff continue to work with City officials and report back to the Board at the appropriate time, if any adjustments to the 2009 operating budget are necessary or recommended as a result of that work.

Following discussions with Police staff, the 2009 Recommended Operating Budget for the Toronto Police Service from the City Manager and Acting Chief Financial Officer is \$5.315 million below the Budget Request approved by the Toronto Police Services Board on January 22, 2009 and includes an unspecified budget reduction of \$5.315 million.

It is recommended that the Police Services Board following consultation with the Chief of Police report back to Budget Committee by March 3, 2009 with specific sustainable budget reductions totalling \$5.315 million to achieve the 2009 Recommended Budget of \$920.661 million gross and \$855.127 million net.

Future Year Outlook - Impact of the Salary Settlement

In December 2008, a salary settlement was awarded through arbitration to the Toronto Police Association and subsequently negotiated with the Senior Officers Organization. The settlement was awarded for the years 2008 to 2010. The salary settlement results in incremental net costs to the Police Service of:

- \$23.348 million in 2008;
- \$16.700 million in 2009;
- \$26.661 million in 2010; and
- Annualized impacts of \$5.613 million in 2011.

The impact of the settlement in 2009 of \$16.700 million accounts for half (2.0%) of the Service's \$33.080 million or 4.0% net increase above the Police Service's 2008 Approved Operating Budget of \$822.047 million.

The 2010 impact of the settlement of \$26.661 million will result in a 3.1% increase above the 2009 Recommended Operating Budget for the Police Service. During the 2010 Operating budget process, the Toronto Police Service will be required to accommodate the impact of this settlement within the 2010 budget target, once established.

Police Officers Recruitment Fund (Transit Officers)

The 2008 Federal Budget was announced on February 26, 2008 and included a commitment to establish a Police Officers Recruitment Fund (PORF) for Provinces and Territories to participate in a national effort to recruit 2,500 Police Officers across the country to target local crimes and make communities safer.

It was recently confirmed that the Toronto Police Service would receive funding for 38 Officers as part of this 5 year program, beginning retroactively on April 1, 2008 and ending on March 31, 2013, with funding of \$0.070 million per year for each Officer.

Upon confirmation of this program, the Toronto Police Service and the Police Services Board announced that they plan to utilize this increase in the Service's average deployed uniform strength from 5,510 Officers to 5,548 Officers to increase safety within the City's transit system through the establishment of Transit Officers.

There are a few details of this program which still require confirmation, however assuming the Service hires new Officer (Cadets in Training) in April 2009, the estimated costs of the program excluding, the impacts of a 2011 salary settlement and premium pay expenses, are as follows:

Year	Months	Estimated Cost (\$000s)	PORF Annual Funding (\$000s)
2008	9	0	1,995.0
2009	12	1,858.6	2,660.0
2010	12	2,842.4	2,660.0
2011	12	3,246.3	2,660.0
2012	12	3,631.9	2,660.0
2013	3	964.2	665.0
Total:	60	12,543.4	13,300.0

Funding received in excess of costs for 2008 and 2009 would be utilized to offset net impacts to the Services Budget in 2010 – 2013. Additional funding of \$0.757 million would be available to offset the impacts of a 2011 salary settlement and premium pay which is an allowable expense under this program.

It is recommended that the Police Services Board, following consultation with the Chief of Police and the final confirmation of outstanding details of the Police Officers Recruitment Fund, report to Budget Committee identifying adjustments required to include 38 additional Officers within the Police Service’s 2009 Recommended Operating Budget.

Outstanding Issues from 2008 and Prior Years

Court Security

Section 137 of the *Police Services Act* states that police services boards are responsible for court security to “ensure the security of judges and of persons taking part in or attending proceedings.” On January 1, 1990, the Provincial government transferred responsibility for court security costs to municipalities. The costs have grown steadily since the transfer. In 1990, the cost of providing security in court facilities and costs related to prisoner transportation to and from court facilities was under \$16.000 million. The number of courtrooms has grown from 138 in 1990 to 263 in 2009. As a result of the increase in courtrooms, court security costs have risen from 1990 levels to the following;

Court Security Net Costs (\$ Millions)		
Description	2008 Approved Budget	2009 Recommended Budget
Court Security	46.500	47.900
Prisoner Transportation	4.300	4.500
Total Court Security	50.800	52.400

Based on the *Provincial-Municipal Fiscal and Service Delivery Review*, released in Fall 2008, the Toronto Police Service, along with the Police Board will participate in the consultation with the Ministry of the Attorney General and the Ministry of Community Safety and Correctional Services on the collection of current court security costs and data, and the development of court security standards, associated costs, and related governance as part of the court security costs upload to the Province planned to begin in 2012.

Appendix A

2009 Recommended Base Budget Changes vs. 2008 Approved Budget

(In \$000s)	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
		\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	7,710.0	841,730.8	43,471.3	798,259.5	0.0	0.0
In-year approvals and technical adjustments	20.0	23,347.6		23,347.6		
Corporate adjustments		439.7		439.7		
2008 Approved Operating Budget	7,730.0	865,518.1	43,471.3	822,046.8	0.0	0.0
Prior year impacts	3.0	16,550.1		16,550.1	3,894.7	4,017.7
Zero base items						
Economic factors		24,836.7		24,836.7	31,914.8	11,318.6
Adjusted Base Budget	7,733.0	906,904.9	43,471.3	863,433.6	35,809.5	15,336.3
Other base changes	(6.0)	9,214.6	16,307.2	(7,092.6)	595.7	647.6
Base revenue changes			(458.6)	458.6		
Recommended Service Level Adjustments:						
Base changes						
Service efficiencies			5,314.6	(5,314.6)		
Revenue adjustments						
Minor service impact						
Major service impact						
Total Recommended Base Adjustments	(6.0)	9,214.6	21,163.2	(11,948.6)	595.7	647.6
2009 Recommended Base Budget	7,727.0	916,119.5	64,634.5	851,485.0	36,405.2	15,983.9
2009 Program Operating Target				822,046.8		
% Over (Under) Program Target				3.6%		
% Over (Under) 2008 Appvd. Budget				3.6%		

Appendix B

Summary of Service Level Adjustments

Appendix C

**Summary of 2009 Recommended New/Enhanced
Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

PROGRAM: TORONTO POLICE SERVICE							
	2008 Approved Budget	2008 Projected Actuals	2009 Recommended Budget	Change from 2008 Approved Budget		2010 Outlook	2011 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	767,292.8	784,334.4	813,870.3	46,577.5	6.1%	850,227.0	859,736.3
Supplies and Equipment	19,514.9	20,914.9	20,853.8	1,338.9	6.9%	21,406.7	21,985.9
Services & Rents	34,511.9	37,092.4	37,594.6	3,082.7	8.9%	39,190.5	40,958.0
Contributions to Capital				0.0	n/a		
Contributions to Reserve/Res Funds	27,516.0	27,516.0	28,960.3	1,444.3	5.2%	31,760.3	34,560.3
Other Expenditures				0.0	n/a		
Interdivisional Charges	16,682.5	16,681.4	19,382.0	2,699.5	16.2%	20,951.5	22,651.4
TOTAL GROSS EXPENDITURES	865,518.1	886,539.1	920,661.0	55,142.9	6.4%	963,536.0	979,891.9
Interdivisional Recoveries	7,076.7	8,235.6	8,817.7	1,741.0	24.6%	8,817.7	8,817.7
Provincial Subsidies				0.0	n/a		
Federal Subsidies				0.0	n/a		
Other Subsidies	17,536.5	23,036.5	19,379.1	1,842.6	10.5%	19,379.1	19,379.1
User Fees & Donations				0.0	n/a		
Transfers from Capital Fund				0.0	n/a		
Contribution from Reserve Funds				0.0	n/a		
Contribution from Reserve	5,033.0	12,876.5	13,191.4	8,158.4	162.1%	13,191.4	13,191.4
Sundry Revenues	13,825.1	33,675.9	24,146.3	10,321.2	74.7%	24,146.3	24,146.3
TOTAL REVENUE	43,471.3	77,824.5	65,534.5	22,063.2	50.8%	65,534.5	65,534.5
TOTAL NET EXPENDITURES	822,046.8	808,714.6	855,126.5	33,079.7	4.0%	898,001.5	914,357.4
APPROVED POSITIONS	7,730.0	7,680.0	7,792.0	62.0	0.8%	7,799.0	7,799.0

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2008	Proposed Withdrawals (-) / Contributions (+)		
			2009	2010	2011
		\$	\$	\$	\$
Insurance Reserve Fund	XR1010	27,774.8	8,596.3	8,596.3	8,596.3
Vehicle and Equipment Reserve	XQ1701	8,096.4	15,216.5	18,016.5	20,816.5
Central Sick Bank	XR1701	3,632.4	1,722.5	1,722.5	1,722.5
Central Sick Bank	XR1701		(3,677.5)	(3,677.5)	(3,677.5)
Sick Leave	XR1007	46,418.6	3,425.0	3,425.0	3,425.0
Sick Leave	XR1007		(9,513.9)	(9,513.9)	(9,513.9)
Total Reserve / Reserve Fund Draws / Contributions		85,922.2	15,768.9	18,568.9	21,368.9