



STAFF REPORT ACTION REQUIRED

Toronto Police Services Board – 2008 Operating Budget Variance Report – Period Ending September 30, 2008

Date:	January 6, 2009
To:	Executive Committee, City of Toronto
From:	Pam McConnell, Acting Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Executive Committee with the Toronto Police Services Board's 2008 operating budget variance report for the period ending September 30, 2008.

RECOMMENDATION

It is recommended that the Executive Committee approve a technical adjustment of \$23,300 from the City's non-program expenditure budget to the Toronto Police Services Board's 2008 net operating budget, to fund the cost of a 3% interim salary award; which results in a revised 2008 net operating budget of \$2,257,200.

FINANCIAL IMPACT

The interim salary arbitration award of 3% for the Toronto Police Association, and associated award for the Toronto Police Service Excluded members is estimated to cost \$23,300. Funding was set aside by the City in the 2008 non-program expenditure budget to cover the costs of contract settlements. The \$23,300 additional cost in 2008 due to the salary awards is offset by the technical adjustment and therefore there is no net impact on the 2008 approved operating budget. A further technical adjustment may be required when the 2008 final contracts are settled.

ISSUE BACKGROUND

At its meeting of November 20, 2008, the Toronto Police Services Board was in receipt of a report, dated October 27, 2008, with regard to the Toronto Police Services Board's 2008 operating budget variance report for the period ending September 30, 2008.

COMMENTS

The Board approved the foregoing report and agreed to forward a copy to the Executive Committee for approval.

A copy of Board Minute No. P312/08, in the form attached as Appendix “A” to this report, regarding this matter is provided for information.

CONTACT

Alok Mukherjee, Chair
Toronto Police Services Board
Telephone No. 416-808-8080
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SIGNATURE

Pam McConnell
Acting Chair, Toronto Police Services Board

ATTACHMENT

Appendix A – Board Minute No. P312/08

A:tpsb 2008 operating budget variance.doc

Appendix "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON NOVEMBER 20, 2008

#P312. TORONTO POLICE SERVICES BOARD – 2008 OPERATING BUDGET VARIANCE REPORT – PERIOD ENDING SEPTEMBER 30, 2008

The Board was in receipt of the following report October 27, 2008 from Alok Mukherjee, Chair:

Subject: OPERATING BUDGET VARIANCE REPORT FOR THE TORONTO POLICE SERVICES BOARD – PERIOD ENDING SEPTEMBER 30, 2008

Recommendation:

It is recommended that:

- (1) the Board approve a request to the City of Toronto Executive Committee for a technical adjustment of \$23,300 from the City's non-program expenditure budget to the Toronto Police Services Board's 2008 net operating budget, to fund the cost of a 3% interim salary award; which results in a revised 2008 net operating budget of \$2,257,200; and
- (2) the Board forward a copy of this report to the City of Toronto's Executive Committee for approval.

Financial Implications:

The interim salary arbitration award of 3% for the Toronto Police Association (TPA), and associated award for the Excluded members is estimated to cost \$23,300. Funding was set aside by the City in the 2008 non-program expenditure budget to cover the costs of contract settlements. The \$23,300 additional cost in 2008 due to the salary awards is offset by the technical adjustment and therefore there is no net impact on the 2008 approved operating budget. A further technical adjustment may be required when the 2008 final contracts are settled.

Background/Purpose:

Toronto City Council, at its meeting of March 31, 2008, approved the Toronto Police Services Board Operating Budget at a net amount of \$2,233,900. This funding level excludes any impact from the working agreement negotiations currently in progress. The impact on the 2008 budget, from a contractual settlement, is expected to be funded by the City.

The purpose of this report is to provide information on the Board's 2008 projected year-end variance.

Discussion:

The following chart summarizes the variance by category of expenditure.

Expenditure Category	2008 Budget (\$Ms)	Actual to Sept 30/08 (\$Ms)	Projected Year- End Actual (\$Ms)	Projected (Surplus)/Shortf all (\$Ms)
Salaries & Benefits (incl. prem.pay)	\$801.3	\$630.1	\$801.3	\$0.0
Non-Salary Expenditures	\$1,432.6	\$820.4	\$1,432.6	\$0.0
Total	\$2,233.9	\$1,450.5	\$2,233.9	\$0.0

It is important to note that expenditures do not all follow a linear pattern and therefore year-to-date expenditures cannot be simply extrapolated to year end. Rather, the projection of expenditures to year end is done through an analysis of all accounts, taking into consideration factors such as expenditures to date, future commitments expected and spending patterns.

As at September 30, 2008, no variance is anticipated. Details are discussed below.

Salaries & Benefits (including Premium Pay)

Year-to-date expenditures are consistent with the estimate and therefore no year-end variance is projected.

Non-salary Budget

The majority of the costs in this category are for arbitrations / grievances and City charge backs for legal services. No variance is anticipated in these accounts at this time.

Conclusion:

The most significant expenditure risk for the Board is legal costs for arbitration grievances. At the end of the most recent reporting period the actual spending does not reflect any concerns; however, this will be monitored closely and reported in subsequent variance reports.

The Board approved the forgoing report and agreed to forward a copy to the City of Toronto – Executive Committee for approval.