



STAFF REPORT ACTION REQUIRED

Toronto Police Service – 2010 Operating Budget Submission - Revised

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|--------------|--|
| Date: | March 11, 2010 |
| To: | Budget Committee, City of Toronto |
| From: | Pam McConnell, Acting Chair, Toronto Police Services Board |

SUMMARY

The purpose of this report is to seek the City of Toronto Budget Committee's approval of the recommendations contained in this report.

RECOMMENDATIONS

It is recommended that the Budget Committee approve the following recommendations which were approved by the Toronto Police Services Board at its special meeting held on March 9, 2010:

1. The Board approve a one-time reduction of \$4.1M for a revised net operating budget request for the Toronto Police Service of \$888.1 million (M);
2. The Board approve an increase of 80 (including 38 current transit officers) additional uniform positions required for public transit policing, for a revised uniform establishment of 5,588 for the Toronto Police Service;
3. The Board request that City Council join with the Board in advocating for the Federal government to assume its share of the costs of policing;
4. The Board request that the City Manager and the City's Chief Financial Officer meet with the Chief of Police and the Toronto Police Services Board prior to the commencement of the 2011 operating budget process to consider the impact of the 2010 operating budget;
5. The Board request that the City Manager and the City's Chief Financial Officer work with the Chief of Police and the Board to develop a process for multi-year financial planning and forecasting;

6. The Board request City Council to conduct a review of applicable City by-laws with a view to more cost effective use of police resources, as it relates to potential savings in the City budget that could then offset the police budget pressure;
7. The Board request that the City Manager and the Chief Financial Officer review chargebacks, including cleaning services and legal services, in order to determine the most cost effective way of delivering services, while respecting any applicable collective agreements;
8. The Board request that City Council renew its consideration of cost recovery mechanisms related to the Entertainment District and other high risk licences in order to cover costs of policing; and
9. The Board forward a copy of this report to the Deputy City Manager and Chief Financial Officer for information and to the City Budget Committee for approval and request that the City Manager provide a timetable for these initiatives.

FINANCIAL IMPACT

If the Budget Committee approves the recommendations contained in this report, it will result in a net operating budget for the Toronto Police Service of \$888.1M, which is a 3.9% increase over the 2009 approved net operating budget. It will also result in a revised uniform establishment of 5,588 which includes an increase of 80 for transit officers.

ISSUE BACKGROUND

At a special meeting held on March 9, 2010, the Toronto Police Services Board was in receipt of a report dated March 9, 2010 from Alok Mukherjee, Chair, with regard to the Toronto Police Service's 2010 operating budget submission.

COMMENTS

Chair Mukherjee drew the Board's attention to Motion No. 3 contained in Minute No. P54/10 which was approved by the Board at the special public meeting held on March 8, 2010, in which the Board reaffirmed its approval of the Toronto Police Service's 2010 net operating budget request of \$892.2 million (M), a 4.37% increase over the 2009 approved net operating budget, and agreed to forward this decision to the City Budget Committee for information at its March 12, 2010 meeting.

Chair Mukherjee advised the Board that, subject to Board approval, the foregoing report dated March 9, 2010 was intended to replace Motion No. 3 contained in Min. No. P54/10. The Board agreed to re-open Motion No. 3 and replace it with recommendations contained in Chair Mukherjee's March 9, 2010 report.

Chair Mukherjee discussed each of the eight recommendations contained in his report and responded to questions by the Board.

Chief Blair provided comments to the Board about the recommendations.

Mr. Tony Veneziano, Chief Administrative Officer, noted that the proposed one-time reduction noted in recommendation no. 1 should be \$4.1M and not \$5.9M in light of the \$1.8M increase provided by the City to fund 42 officers who will be policing the transit system. Chair Mukherjee agreed to amend the recommendation accordingly.

Following a discussion about the proposed \$4.1M one-time reduction, the Board approved a Motion which recommended that some of the foregoing recommendations be approved as submitted and that some of the recommendations be approved with amendments. The Motion also included one additional recommendation with respect to chargebacks.

The full Motion, containing all the recommendations approved by the Board, is re-printed below:

THAT:

1. The Board approve a one-time reduction of \$4.1M for a revised net operating budget request for the Toronto Police Service of \$888.1 million (M);
2. The Board approve an increase of 80 (including 38 current transit officers) additional uniform positions required for public transit policing, for a revised uniform establishment of 5,588 for the Toronto Police Service;
3. The Board request that City Council join with the Board in advocating for the Federal government to assume its share of the costs of policing;
4. The Board request that the City Manager and the City's Chief Financial Officer meet with the Chief of Police and the Toronto Police Services Board prior to the commencement of the 2011 operating budget process to consider the impact of the 2010 operating budget;
5. The Board request that the City Manager and the City's Chief Financial Officer work with the Chief of Police and the Board to develop a process for multi-year financial planning and forecasting;
6. The Board request City Council to conduct a review of applicable City by-laws with a view to more cost effective use of police resources, as it relates to potential savings in the City budget that could then offset the police budget pressure;

7. The Board request that the City Manager and the Chief Financial Officer review chargebacks, including cleaning services and legal services, in order to determine the most cost effective way of delivering services, while respecting any applicable collective agreements;
8. The Board request that City Council renew its consideration of cost recovery mechanisms related to the Entertainment District and other high risk licences in order to cover costs of policing; and
9. The Board forward a copy of this report to the Deputy City Manager and Chief Financial Officer for information and to the City Budget Committee for approval and request that the City Manager provide a timetable for these initiatives.

CONCLUSION

A copy of Board Minute No. P58/10, 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
Fax No. 416-808-8082

SIGNATURE

Pam McConnell
Acting Chair

ATTACHMENT

Appendix A – Board Minute No. P58/10

cc. Mr. Cam Weldon, Deputy City Manager and Chief Financial Officer
a: 2010tpsopbudgetreduction4m.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON MARCH 09, 2010

#P58. TORONTO POLICE SERVICE – 2010 OPERATING BUDGET REQUEST - REVISION

The Board was in receipt of the following report dated March 9, 2010 from Alok Mukherjee, Chair:

Subject: 2010 OPERATING BUDGET REQUEST FOR THE TORONTO POLICE SERVICE - REVISION

Recommendation:

It is recommended that:

1. The Board approve a one-time reduction of \$5.9M for a revised net operating budget request for the Toronto Police Service of \$888.1 million (M);
2. The Board approve an increase of 42 additional uniform positions required for public transit policing, for a revised uniform establishment of 5,618 for the Toronto Police Service;
3. The Board request that City Council join with the Board in advocating for the Federal government to assume its share of the costs of policing;
4. The Board request that the City Manager and the City's Chief Financial Officer meet with the Chief of Police and the Toronto Police Services Board prior to the commencement of the 2011 operating budget process to consider the impact of the 2010 operating budget;
5. The Board request that the City Manager and the City's Chief Financial Officer work with the Chief of Police and the Board to develop a process for multi-year financial planning and forecasting;
6. The Board request City Council to conduct a review of applicable City by-laws with a view to more cost effective use of police resources;
7. The Board request that City Council renew its consideration of possible cost recovery mechanisms related to the Entertainment District; and,
8. The Board forward a copy of this report to the Deputy City Manager and Chief Financial Officer for information and to the City Budget Committee for approval.

Financial Implications:

This report, if approved, will result in a \$5.9 million (M) reduction in the 2010 operating budget request which was approved by the Board at its meeting on January 28, 2010 (Min. P28/10 refers). In addition, the Service's uniform establishment is being adjusted as follows:

Table 1. Uniform Establishment

| | Establishment |
|---|----------------------|
| Board-approved and Council-authorized strength | 5,510 |
| Civilianization initiative | (2) |
| Transit policing | <u>42</u> |
| | |
| Approved permanent uniform establishment | 5,550 |
| | |
| School Resource Officers* | 30 |
| Transit Police Officers* | <u>38</u> |
| | |
| 2010 Establishment | 5,618 |

* These positions have been established due to grant-funded programs (TAVIS and PORF); the positions will be reduced if funding ceases.

Background/Purpose:

The Board approved a 2010 net operating budget request of \$892.2M at its special meeting of January 28, 2010 (Min. No. P28/10 refers). This budget request was provided to the City's Deputy City Manager for information and to the City Budget Committee for approval.

City of Toronto staff has presented the proposed 2010 City of Toronto operating budget to the City of Toronto Budget Committee. This proposed budget included a \$5.9M reduction and a \$1.8M increase (to fund an equivalent forty-two transit officers) to the Board-approved 2010 net operating budget. Table 1 provides a summary of recommended changes.

Table 2. 2010 TPS Net Operating Budget – Current Status

| | Budget (\$Ms) | % Over 2009 Approved Budget |
|---|----------------------|------------------------------------|
| 2009 Approved Budget | \$854.8M | |
| 2010 Budget increase | <u>\$37.4M</u> | 4.4% |
| 2010 Board-Approved Request | \$892.2M | |
| City Staff Recommendations: | | |
| Unallocated Reduction | (\$5.9M) | |
| Deployment of 42 transit officers | <u>\$1.8M</u> | |
| Net Reductions | <u>(\$4.1M)</u> | (0.5%) |
| 2010 City-Staff Recommended Budget | \$888.1M | 3.9% |

The Board, at its meeting of February 18, 2010, requested “that the Chief of Police provide a report, for consideration at the public Board meeting, detailing options for and the impact of the City of Toronto’s proposal for a further \$5.9 M permanent and sustainable budget reduction” (Min. No. P50/10 refers). At a special public meeting of the Board which was held on March 8, 2010, the Board received a report from Chief Blair which was submitted in response to the Board’s request.

This report concluded that any permanent and sustainable reductions would have a long-term impact on the Service’s ability to provide effective and adequate policing services to the City of Toronto. As a result, no reductions were recommended by the Chief.

After considering the Chief’s report, the Board approved the following motions:

THAT the Board authorize the Chair to negotiate with the City Budget Chief, the City Manager and the City Budget Committee the possibility of a one-time unallocated reduction to meet this year’s budget target; and

THAT, given that the further reduction requested by the City to the 2010 net operating budget would result in service reductions, the Board reaffirm its approval of the Toronto Police Service’s 2010 net operating budget request of \$892.2 million (M), a 4.37% increase over the 2009 approved net operating budget, and forward a copy of this report to the City Budget Committee for information at its March 12, 2010 meeting.

Discussion:

In response to the Board’s motion authorizing me to hold further negotiations, on Tuesday March 9, 2010 I met with Councillor Shelley Carroll and have had discussions with Chief Blair.

The Board has made clear its position that service delivery, especially in relation to Board priorities should not be adversely affected. The Board commends the Chief and the Service for their effort to propose an operating budget for 2010 that meets this objective while responding to the fiscal pressures being experienced by the City.

The Board acknowledges the severity of those pressures. It is committed to doing its part and to accept its share of the impact along with other agencies of the City.

Within this context, I have explored all possibilities for finding an approach to identify further reductions in the Service’s 2010 operating budget. I believe that one-time reductions of \$5.9M may be found for 2010 in areas, such as the following:

1. Staffing:

- Uniform rank reclassifications in 2010
- Reduction in the size of September recruit class
- Deferring the filling of civilian positions for the balance of 2010

2. Premium Pay:

- Across the board reduction

3. Program:

- Moratorium on Service sponsored conferences for the rest of 2010
- Review of members' participation in post-secondary education programs

4. Any further reductions that the Chief may identify

Conclusion:

It is recognized that a further one-time reduction of \$5.9M will result in pressures in future years. In particular, any assumption of responsibility for transit safety without assurance of sustainable funding in future years could have a severe impact. As well, it is imperative that processes be agreed to now to ensure that the impacts of this year's budget reductions are properly and fully assessed before the beginning of the next budget process as well as to allow for multi-year planning and forecasting. Examples of one-time reductions this year include reductions to Reserve contributions in the amount of \$3.2M. These 2010 reductions will cause future budget pressures.

It is also imperative that the City follow up on previous Board requests to review its applicable by-laws for opportunities to reduce pressure on police services and to explore possibilities for generating additional revenue to offset the cost of policing the Entertainment District.

Finally, given that a significant factor in the cost of policing is provision of services that fall under the Federal jurisdiction but which are paid for almost entirely by the City, it is necessary that the City join with the Board in advocating for the Federal government to assume its share of the cost. This is a significant cost, borne by the City's tax payers.

It is, therefore, recommended that:

1. The Board approve a one-time reduction of \$5.9M for a revised net operating budget request for the Toronto Police Service of \$888.1 million (M);
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Chair Mukherjee discussed each of the eight recommendations contained in his report and responded to questions by the Board.

Chief Blair provided comments to the Board about the recommendations.

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