



STAFF REPORT ACTION REQUIRED

Toronto Police Services Board – 2011 Operating Budget Variance Report – Period Ending December 31, 2011

Date:	May 11, 2012
To:	Budget Committee, City of Toronto
From:	Alok Mukherjee, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Budget Committee with the Toronto Police Services Board's 2011 operating budget variance report for the period ending December 31, 2011.

RECOMMENDATION

It is recommended that the Budget Committee approve a budget transfer of \$22,300 to the Board's 2011 operating budget from the City's Non-Program operating budget, with no incremental cost to the City, to fund the cost of the 2011 portion of the 2011-2012 salary award for Excluded members.

FINANCIAL IMPACT

There are no financial implications relating to the recommendation contained within this report.

ISSUE BACKGROUND

At its meeting on April 19, 2012, the Toronto Police Services Board was in receipt of a report, dated March 19, 2012, with regard to the Toronto Police Services Board's 2011 operating budget variance report for the period ending December 11, 2011.

COMMENTS

The Board approved the foregoing report and agreed to forward a copy of the report to the City's Deputy City Manager and Chief Financial Officer for information and to the City's Budget Committee for approval.

A copy of Board Minute No. P92/12, 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
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SIGNATURE

Alok Mukherjee
Chair, Toronto Police Services Board

ATTACHMENT

Appendix A – Board Minute No. P92/12

cc. Mr. Cam Weldon, Deputy City Manager and Chief Financial Officer

A:tpsb 2011 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 APRIL 19, 2012

#P92. TORONTO POLICE SERVICES BOARD – OPERATING BUDGET VARIANCE REPORT – YEAR ENDING DECEMBER 31, 2011

The Board was in receipt of the following report March 19, 2012 from Alok Mukherjee, Chair:

Subject: OPERATING BUDGET VARIANCE REPORT FOR THE TORONTO POLICE
SERVICES BOARD – YEAR ENDING DECEMBER 31, 2011

Recommendation:

It is recommended that:

- (1) the Board request the City of Toronto's Budget Committee to approve a budget transfer of \$22,300 to the Board's 2011 operating budget from the City's Non-Program operating budget, with no incremental cost to the City, to fund the cost of the 2011 portion of the 2011-2012 salary award for Excluded members; and
- (2) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information.

Financial Implications:

There are no financial implications relating to the recommendations contained within this report.

Background/Purpose:

The Board, at its meeting on January 11, 2011 (Min. No. P12/11 refers), approved the Toronto Police Services Board Operating Budget at a net amount of \$2,347,800. Toronto City Council, at its meeting of February 23 and February 24, 2011, approved the Board's 2011 Operating Budget at the same amount.

Subsequently, the Board's budget has been restated upwards by \$4,000 (to cover the cost of the negotiated contract settlement for Toronto Police Association member), resulting in a net operating budget of \$2,351,800.

The Board's Excluded staff have been awarded a salary increase, and the 2011 operating budget should be adjusted to reflect this (an impact of \$22,300). City Finance staff have confirmed that this funding has been set aside in the City's non-program expenditure budget, and this transfer would be at no incremental cost to the City. This results in a net operating budget of \$2,374,100.

The purpose of this report is to provide information on the Board's final 2011 year-end variance.

Discussion:

The following chart summarizes the variance by category of expenditure.

Expenditure Category	2011 Budget (\$000s)	Year-End Actual Expend (\$000s)	Fav / (Unfav) (\$000s)
Salaries & Benefits (incl. prem.pay)	\$947.4	\$906.8	\$40.6
Non-Salary Expenditures	<u>\$1,426.7</u>	<u>\$1,420.2</u>	<u>\$6.5</u>
Total	<u>\$2,374.1</u>	<u>\$2,327.0</u>	<u>\$47.1</u>

The final year-end favourable variance is \$47,100. Details are discussed below.

Salaries & Benefits (including Premium Pay)

The Board experienced a small savings in salaries and benefits.

Non-salary Budget

Non-salary accounts were underspent by \$6,500.

The majority of the costs in this category are for arbitrations / grievances and City charge backs for legal services.

The Toronto Police Services Board cannot predict or control the number of grievances filed or referred to arbitration as filings are at the discretion of bargaining units. In order to deal with this uncertainty, the 2011 budget includes a \$610,600 contribution to a Reserve for costs of independent legal advice.

In year financial pressures for external legal costs were offset by a favourable variance in charge backs for City legal costs.

City Council approved a one-time transfer of projected surplus funds from the Toronto Police Service's 2011 Operating Budget, in the amount of \$480,000, to the Toronto Police Services Board's 2011 Operating Budget, to cover the costs of the Independent Civilian Review from October 2011 to its estimated completion date of March 2012. In order to meet this funding obligation, the Board has contributed an additional \$30,000 to the City Legal Reserve (the remaining \$450,000 contribution has been done in the Service's budget).

Conclusion:

The year-end favourable variance is \$47,100.

The Board approved the foregoing report and agreed to forward a copy to the City's Deputy City Manager & Chief Financial Officer for information.