



STAFF REPORT ACTION REQUIRED

Toronto Police Services Board – Proposed 2013 Net Operating Budget Request

Date:	December 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 2013 Net Operating Budget request for the Toronto Police Services Board ('the Board').

RECOMMENDATION

It is recommended that the Budget Committee approve a 2013 net operating budget request of \$2,251,600 which achieves the City's target of a 0% increase over 2012.

FINANCIAL IMPACT

The proposed 2013 Net Operating Budget, recommended in this report, represents an 0% increase over a 2012 budget of \$2,251,600. This request excludes any 2013 impact of a Senior Officers' Organization salary settlement as contract negotiations have not been concluded for that group.

ISSUE BACKGROUND

At a special meeting held on December 10, 2012, the Board was in receipt of a report dated November 2, 2012 with regard to the 2013 Net Operating Budget request for the Board.

The initial recommendation before the Board was that the Board approve a 2013 net operating budget of \$2,258,900 which is an increase of 0.3% over a 2012 budget of \$2,251,600 but following consideration of the report, the Board agreed to approve a 2013 net operating budget request that achieves the City's target of a 0% increase over 2012.

COMMENTS

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

CONCLUSION

A copy of Board Minute No. P298/12, in the form attached as Appendix "A", 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



Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P298/12

cc. Ms. Giuliana Carbone, A/Deputy City Manager and Chief Financial Officer

A: TPSB 2013 operating budget request.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON DECEMBER 10, 2012

#P298. TORONTO POLICE SERVICES BOARD – PROPOSED 2013 NET OPERATING BUDGET

The Board was in receipt of the following report November 01, 2012 from Alok Mukherjee, Chair:

Subject: TORONTO POLICE SERVICES BOARD – PROPOSED 2013 NET
OPERATING BUDGET

Recommendation:

It is recommended:

1. THAT the Board approve a proposed 2013 net operating budget of \$2,258,900 which is an increase of 0.3% over a 2012 budget of \$2,251,600,
2. THAT the Board forward this report to the City's Deputy City Manager and Chief Financial Officer for information; and,
3. THAT the Board forward this report to the City's Budget Committee for approval.

Financial Implications:

The proposed 2013 net operating budget, recommended in this report, represents an increase of 0.3% over a 2012 budget of \$2,251,600. The Toronto Police Services Board (TPSB) 2013 operating budget request is a net amount of \$2,258,900. This request excludes any 2013 impact of a Senior Officers' Organization salary settlement as contract negotiations have not been concluded for that group.

Background/Purpose:

The Toronto Police Services Board's 2013 operating budget target, as recommended by the City, is a 0% increase over the 2012 approved net operating budget.

The Board's Budget Sub-Committee (BSC), at its meeting on September 21, 2012, reviewed its preliminary budget request and requested a scenario(s) to indicate how the Board might achieve the same reduction that it might request of the Toronto Police Service. At its meeting on October 23, 2012, the BSC requested that the Toronto Police Service achieve a 0% increase. What follows are the issues that the Board must consider should it decide to meet the 0% target in its own proposed budget; however, no further reductions are recommended.

Discussion:

Impact of Further Reductions: Non-salary Accounts

The Board has very limited options in terms of achieving this reduction. In terms of non-salary accounts, when the amounts allocated for the City Legal chargeback and for external labour relations legal counsel are factored out of the budget, the actual administrative costs proposed in the 2013 budget amount to only \$58,500.

Every administrative account in the Board's budget has been reduced substantially over the past 2 years to arrive at this amount. The proposed 2013 budget represents a 13% decrease in non-salary accounts over the 2011 budget.

The proposed 2013 budget will continue to restrict professional development and learning opportunities for Board members because the budget will only provide sufficient funds for the attendance of a limited number of Board members at the Ontario Association of Police Services Boards' (OAPSB) conference and one individual at the Canadian Association of Police Boards' (CAPB) conference. Funds will continue to be available, however, to allow the Chair to fulfil his responsibilities as President of the CAPB.

Catering at full-day Board meetings will continue to be scaled back and will continue to be eliminated, where practical, at all other meetings.

Funds will not be available in the event that the Board requires legal advice other than that which is available from the City of Toronto Legal department or from the Board's contracted labour relations law firm. Similarly, no funds will be available should the Board require any external consulting advice.

It will continue to be difficult to contain expenditures within the proposed legal services accounts. In the view of Human Resources Management which administers these accounts on behalf of the Board, any further reduction will likely mean that the Labour Relations Unit would not meet its anticipated financial obligations. Although recent settlement statistics related to labour disputes and grievances do indicate that fewer matters proceed to hearings, the matters that do proceed to hearings are increasingly complex. These matters tend to consume substantial legal resources, including time for preparation and arbitration. I am also advised that the Board should anticipate new grievances and proceedings arising from any efforts to downsize the organization as well as potentially, as a result of the numerous working groups that were established as an outcome of the 2011 to 2014 collective agreement with the Toronto Police Association.

Human Resources Management is anticipating that the costs of labour relations legal matters will rise in 2013. The Board must consider that it cannot prevent grievances or other disputes, and if the current fiscal climate continues, the Board may experience another escalation in grievance rates similar to that which occurred in 2008. Moreover, as the result of a Request for Proposal, the Board is reminded that it recently approved a three year representation agreement with Hicks

Morley LLP that includes increased fees for legal counsel, which will be reflected in 2013 billings and put further pressure on the 2013 operating budget.

Impact of Further Reductions: Salary and Benefit Accounts

The budget request in the Board's salary and benefit accounts, totalling \$975,500 includes:

\$973,500	staff salary/benefits and Board Member remuneration
\$ 2,000	premium pay

Board staff members provide the administrative support to ensure the Board's provision of civilian oversight to the community. As such, the work performed by the staff is fundamentally linked to the Board's ability to provide adequate and effective police services to the community.

Board staff must not only deal with the significant volume of work generated by the Board on a day-to-day basis but also manage on-going strategic, proactive policy initiatives; both are areas that are critical in meeting the Board's legislative mandate.

Currently, with the Board's limited staff, it is often challenging to meet the existing demands.

Further, the Board is reviewing the recommendations arising from Justice Morden's *Independent Civilian Review into Matters Relating to the G20 Summit*. This report recommends a substantially expanded and strengthened role for civilian governance of the Toronto Police Service. In his report at page 37, Justice Morden writes:

The Board and its staff in the past have increasingly shouldered a heavy burden in carrying out their responsibilities. If my recommendations are implemented this burden will be increased. Likely, this will necessitate the devotion of further resources to support the Board's work.

Although, no additional budget has been requested in 2013 as a result of Justice Morden's report, his recommendations are a pressure that may have an impact on the Board's budget in 2014 and beyond.

Estimated Impact of 2013 Salary Settlement

The current contract with the Toronto Police Association (TPA) will expire on December 31, 2014 while the contract with the Toronto Police Senior Officers' Organization (SOO) will expire on December 31, 2012. The SOO contract for 2013 is still under negotiation. The 2013 operating budget request includes estimated impacts for the TPA contract, but excludes the SOO contract. City Finance has indicated an amount will be set aside in the non-program budget to fund any potential settlement.

Conclusion:

I recommend that the Board approve a proposed 2013 net operating budget of \$2,258,900 which is an increase of 0.3% over a 2012 budget of \$2,251,600.

Following a discussion, the Board approved the following Motions:

- 1. THAT the Board receive recommendation no. 1;**
- 2. THAT the Board approve a 2013 net operating budget request that achieves the City's target of a 0% increase over 2012; and**
- 3. THAT the Board approve recommendation nos. 2 and 3.**