



City Budget  
2012

## Toronto Police Service and Services Board Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for City services.

# 2012 Operating Budget

## 2012 OPERATING BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

### TABLE OF CONTENTS

<b>PART I: RECOMMENDATIONS</b> .....	3
<b>PART II: 2012 SERVICE OVERVIEW AND PLAN</b>	
Program Map and Service Profiles.....	5
2012 Recommended Service Levels .....	N/A
2012 Service Deliverables .....	7
<b>PART III: 2012 RECOMMENDED BASE BUDGET</b>	
2012 Recommended Base Budget .....	9
2012 Recommended Service Changes .....	13
2013 and 2014 Outlook .....	18
<b>PART IV: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS</b>	
2012 Recommended New/Enhanced Service Priority Actions .....	N/A
<b>PART V: ISSUES FOR DISCUSSION</b>	
2012 and Future Year Issues .....	19
Issues Referred to the 2012 Operating Budget Process .....	21
<b>APPENDICES</b>	
<b>Appendix 1: 2011 Performance</b> .....	22
<b>Appendix 2: 2012 Recommended Operating Budget by Expenditure Category         and Key Cost Drivers</b> .....	27
<b>Appendix 3: Summary of 2012 Recommended Service Changes</b> .....	30
<b>Appendix 4: Summary of 2012 Recommended New/Enhanced Service Priority Actions</b> .....	N/A
<b>Appendix 5: Inflows / Outflows to/ from Reserves and Reserve Funds</b> .....	31
<b>Contacts:</b>	
<b>Judy Skinner</b>	<b>John Murphy</b>
Manager, Financial Planning	Senior Financial Planning Analyst
Tel: (416) 397-4219	Tel: (416) 392-8095

## PART I: RECOMMENDATIONS

## 2012 Recommended Operating Budget

## Toronto Police Service

(In \$000s)

(In \$000s)	2011		2012 Recomm'd Operating Budget			Change - 2012 Recommended Operating Budget v. 2011 Appwl. Budget		FY Incremental Outlook	
	2011 Appwl. Budget	2011 Projected Actual	2012 Rec. Base	2012 Rec. New/Enhanced	2012 Rec. Budget		%	2013	2014
	\$	\$	\$	\$	\$			\$	\$
<b>GROSS EXP.</b>	997,863.2	1,002,700.0	1,010,150.4	0.0	1,010,150.4	12,287.2	1.2	42,606.3	33,345.2
<b>REVENUE</b>	68,373.1	78,000.0	76,369.0	0.0	76,369.0	7,995.9	11.7	(191.5)	6,292.3
<b>NET EXP.</b>	929,490.1	924,700.0	933,781.4	0.0	933,781.4	4,291.3	0.5	42,797.8 *	27,052.9 *
<b>Approved Positions</b>	7,888.0	7,870.0	7,869.0	0.0	7,869.0	(19.0)	(0.2)	0.0	0.0

\* As considered by the Police Service Board

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 10% Reduction vs. 2012 Rec'd Reduction	Target %
2012 Reductions	(93,040.6)	(43,191.3)	(49,849.3)	4.6%

## Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2012 Recommended Operating Budget for the Toronto Police Service of \$1.010 billion gross and \$933.781 million net, comprised of the following services:

Service	Gross (\$000s)	Net (\$000s)
Toronto Police Service	<u>1,010,150.4</u>	<u>933,781.4</u>
Total Program Budget	<u>1,010,150.4</u>	<u>933,781.4</u>

2. The findings of the City's 2011 service efficiency study and the 2012 Toronto Police Service's service efficiency study be considered and if approved, be implemented in future budgets beginning in 2013.

**2012 Recommended Operating Budget**  
**Toronto Police Services Board**  
(In \$000s)

(In \$000s)	2011		2012 Recomm'd Operating Budget			Change - 2012 Recommended Operating Budget v. 2011 Appvd. Budget		FY Incremental Outlook	
	2011 Appvd. Budget	2011 Projected Actual	2012 Rec. Base	2012 Rec. New/Enhanced	2012 Rec. Budget		%	2013	2014
	\$	\$	\$	\$	\$			\$	\$
<b>GROSS EXP.</b>	2,962.4	2,962.4	2,708.7	0.0	2,708.7	(253.7)	(8.6)	2.2	2.0
<b>REVENUE</b>	610.6	610.6	500.0	0.0	500.0	(110.6)	(18.1)	0.0	0.0
<b>NET EXP.</b>	2,351.8	2,351.8	2,208.7	0.0	2,208.7	(143.1)	(6.1)	2.2	2.0
<b>Approved Positions</b>	8.0	8.0	8.0	0.0	8.0	0.0	0.0	0.0	0.0

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 10% Reduction vs. 2012 Rec'd Reduction	Target %
2012 Reductions	(385.7)	(308.5)	(77.2)	8.0%

## Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2012 Recommended Operating Budget for the Toronto Police Services Board of \$2.709 million gross and \$2.209 million net, comprised of the following services:

<u>Service</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Toronto Police Services Board	<u>2,708.7</u>	<u>2,208.7</u>
Total Program Budget	<u><u>2,708.7</u></u>	<u><u>2,208.7</u></u>

## PART II: 2012 SERVICE OVERVIEW AND PLAN

### Program Map and Service Profiles

#### Toronto Police Service



#### *Divisional Policing*

The Toronto Police Service provides policing services on a 24 hour per day basis to the citizens and businesses of Toronto through Divisional Policing. 17 Police Divisions across the City ensure primary response, community response, criminal investigations and administrative operations for the residents and numerous guests of the City.

#### *Specialized Operations*

The Service's Specialized Operations Command is comprised of investigative squads consisting of some of the Service's most critically important units, utilizing specialized skill sets in support of Divisional front line Officers.

#### *Corporate Command*

This Service ensures the provision of both internal and external customer service with its mandate to deliver strategic planning, corporate communications, legal services, risk management and human resources support to the Chief of Police.

#### *Administrative Command*

Finance & Administration and Information Technology Services within the Administrative Command ensure the management of the Service's operating and capital budget process, the development and implementation of information technology and the identification, purchase and maintenance of Police equipment and property.

## 2012 Service Objectives

The Toronto Police Service has established service objectives as part of its 2009 – 2011 Business Plan to address its challenges and opportunities. The 2012 – 2014 Business Plan has not yet been finalized, however the Service's key service objectives from the 2009 – 2011 Business Plan 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.

## **2012 Service Deliverables**

The 2012 Recommended Operating Budget of \$933.781 million net for the Toronto Police Service will provide funding to:

- ✓ Maintain an average deployed uniform strength of 5,368 Officers delivering police services in partnership with our communities. This is 236 officers below the approved uniform establishment.
- ✓ Continue to focus on the reduction of crime occurrences as experienced in 2011. This included 28,673 major crime incidences in Toronto as of October 31, 2011, which represents a decrease of 7% from levels experienced in 2010 over the same time period.
- ✓ Continue to provide security for 263 Provincial courtrooms within the City.
- ✓ Continue to utilize a fleet of 1,436 cars, 73 motorcycles, 22 boats, 27 horses and 167 other modes of transportation ensuring the most efficient and effective use of the Service's resources.

## Toronto Police Services Board



The Toronto Police Services Board is responsible, under the Police Services Act, to ensure the provision of adequate and effective police services in the City of Toronto, and as such, the Board is dedicated to ensuring delivery of police services in partnership with our communities to keep Toronto the best and safest place to be.

### 2012 Service Objectives

The Toronto Police Services Board, following consultation with the Chief of Police, creates service objectives for the Toronto Police Service. The Board itself does not have specific objectives, however it monitors the achievements of the Toronto Police Service.

### 2012 Service Deliverables

The 2012 Recommended Operating Budget of \$2.209 million net for the Toronto Police Services Board will provide funding to:

- ✓ Develop service objectives as part of the 2012 – 2014 Business Plan to address challenges and opportunities faced by the Toronto Police Service.
- ✓ Continue to provide civilian oversight and monitor achievements of the Toronto Police Service.



## PART III: RECOMMENDED BASE BUDGET

### 2012 Recommended Base Budget Toronto Police Service (In \$000s)

(In \$000s)	2011 Appvd. Budget	2012 Recommended Base	Change 2012 Recommended Base v. 2011 Appvd. Budget		FY Incremental Outlook	
			\$	%	2013	2014
<b>GROSS EXP.</b>	997,863.2	1,010,150.4	12,287.2	1.2	42,606.3	33,345.2
<b>REVENUE</b>	68,373.1	76,369.0	7,995.9	11.7	(191.5)	6,292.3
<b>NET EXP.</b>	929,490.1	933,781.4	4,291.3	0.5	42,797.8 *	27,052.9 *
<b>Approved Positions</b>	7,888.0	7,869.0	(19.0)	(0.2)	0.0	0.0

\* As considered by the Police Service Board

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 Rec'd Reduction vs. 2012 10% Reduction Target	Target %
<b>2012 Reductions</b>	(93,040.6)	(43,191.3)	(49,849.3)	4.6%

### 2012 Recommended Base Budget

- The Toronto Police Service's 2012 Recommended Base Budget is below its 2012 reduction target of \$93.041 million or the equivalent of 10% of the 2011 Approved Operating Budget by \$49.849 million or 5.4%.
- Recommended service changes of \$43.191 million include base budget savings of \$19.177 million net, savings from efficiencies of \$3.579 million and minor service changes of \$20.436 million.
- The 2012 Recommended Base Budget of \$1.010 billion gross and \$933.781 million net represents a \$4.291 million or 0.5% increase over the 2011 Approved Operating Budget of \$929.490 million net.
  - Additional funding of \$55.479 million for gross expenditures (prior to recommended reductions) is primarily required for:
    1. Wage settlement increases for Toronto Police Association members (\$22.321 million);
    2. Increased costs for OMERS and benefits (\$9.331 million);

- 3. Annualized cost increases arising from 2011 Officer reclassifications (\$1.375 million); and
- 4. Facility maintenance and caretaking cost increases (\$1.500 million).
- The 2012 Recommended Base Budget reflects a decrease of 19 positions that will be reduced through recommended service changes. 2012 decreases from the 2011 Approved Staff Complement are highlighted below:

**2012 Recommended Staff Complement – Base Budget Summary  
Toronto Police Service**

Changes	Staff Complement
<b>2011 Approved Positions</b>	7,888.0
- 2011 In-year Adjustments	
2011 Approved Staff Complement	<b>7,888.0</b>
<b>2012 Recommended Staff Complement Changes</b>	
- 2012 Temporary Positions - Capital Project Delivery	
- 2012 Operating Impacts of completed Capital Projects	
- 2012 Service Changes	(19.0)
<b>Total Recommended Positions</b>	<b>7,869.0</b>

- The 2012 Recommended Base Budget also includes service change savings arising from the continued hiring deferrals of both uniform and civilian positions. The 2012 estimated position shortfall for civilian and uniform positions from the 2012 Recommended Staff Complement are highlighted below:

Changes	2012 Shortfall from Staff Complement
- Impact of Hiring Deferrals (Civilian Positions)	(117.0)
- Impact of Hiring Deferrals (Uniform Positions)	(236.0)
<b>2012 Estimated Position Shortfall from Recommended Complement</b>	<b>(353.0)</b>

**2012 Recommended Base Budget**  
**Toronto Police Services Board**  
(In \$000s)

(In \$000s)	2011 Appvd. Budget	2012 Recommended Base	Change 2012 Recommended Base v. 2011 Appvd. Budget		FY Incremental Outlook	
			\$	%	2013	2014
<b>GROSS EXP.</b>	2,962.4	2,708.7	(253.7)	(8.6)	2.2	2.0
<b>REVENUE</b>	610.6	500.0	(110.6)	(18.1)	0.0	0.0
<b>NET EXP.</b>	2,351.8	2,208.7	(143.1)	(6.1)	2.2	2.0
<b>Approved Positions</b>	8.0	8.0	0.0	0.0	0.0	0.0

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 Rec'd Reduction vs. 2012 10% Reduction Target	Target %
<b>2012 Reductions</b>	(385.7)	(308.5)	(77.2)	<b>8.0%</b>

## 2012 Recommended Base Budget

- The Toronto Police Services Board's 2012 Recommended Base Budget is below its 2012 reduction target of \$0.386 million or the equivalent of 16.4% of the 2011 Approved Operating Budget by \$0.077 million or 2.0%.
  - The target reflects net expenditure reductions of \$0.235 million required to achieve a 10% reduction from the 2011 Approved Operating Budget as well as additional reductions of \$0.151 million to offset 2012 unanticipated incremental pressures.
- Recommended service changes of \$0.309 million are entirely comprised of savings generated from service efficiency savings.
- The 2012 Recommended Base Budget of \$2.709 million gross and \$2.209 million net represents a \$0.143 million or 6.1% decrease over the 2011 Approved Operating Budget of \$2.352 million net.
- The 2012 Recommended Base Budget for the Toronto Police Services Board will not result in a change to the 2011 Approved Staff Complement, as highlighted below:

**2012 Recommended Staff Complement – Base Budget Summary**  
**Toronto Police Services Board**

Changes	Staff Complement
<b>2011 Approved Positions</b>	8.0
- 2011 In-year Adjustments	
2011 Approved Staff Complement	<b>8.0</b>
<b>2012 Recommended Staff Complement Changes</b>	
- 2012 Temporary Positions - Capital Project Delivery	
- 2012 Operating Impacts of completed Capital Projects	
- 2012 Service Changes	
<b>Total Recommended Positions</b>	<b>8.0</b>

**2012 Recommended Service Change Summary**  
**Toronto Police Service**  
(In \$000s)

Description	2012 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% of 2012 Budget Reduction Target	2013		2014	
	#	\$	\$	%	\$	# Pos.	\$	# Pos.
<b>Base Changes:</b>								
<b>Base Expenditure Changes</b>								
Reductions to Reserve Contributions		(3,090.0)	(3,090.0)	(0.33)				
Benefits Costs Savings		(5,190.3)	(5,190.3)	(0.56)				
Gasoline - Rate Reductions		(669.4)	(669.4)	(0.07)				
Deferral of Operating Impacts of Capital		(3,619.4)	(3,619.4)	(0.39)				
Line-by-Line Review Reductions (Non-Salary Accounts)		(4,400.0)	(4,400.0)	(0.47)				
Absorbed Base Budget Pressures		(2,207.7)	(2,207.7)	(0.24)				
<b>Sub-Total Base Budget Changes</b>		<b>(19,176.8)</b>	<b>(19,176.8)</b>	<b>(2.06)</b>				
<b>Service Efficiencies</b>				0.00				
Reduction in Caretaking Costs		(500.0)	(500.0)	(0.05)				
Senior Officers Restructuring	(19.0)	(3,078.8)	(3,078.8)	(0.33)				
<b>Sub-Total Service Efficiencies</b>	<b>(19.0)</b>	<b>(3,578.8)</b>	<b>(3,578.8)</b>	<b>(0.39)</b>				
<b>Minor Service Impact:</b>				0.00				
Continuation of 2011 Hiring Deferral		(6,235.7)	(6,235.7)	(0.67)	6,483.8			
2012 Hiring Deferral		(8,400.0)	(8,400.0)	(0.90)				
Premium Pay Reductions		(5,800.0)	(5,800.0)	(0.62)				
<b>Sub-Total Minor Service Impacts</b>		<b>(20,435.7)</b>	<b>(20,435.7)</b>	<b>(2.20)</b>	<b>6,483.8</b>			
<b>Total Service Changes</b>	<b>(19.0)</b>	<b>(43,191.3)</b>	<b>(43,191.3)</b>	<b>(4.65)</b>	<b>6,483.8</b>	*		

\* As considered by the Police Services Board

## 2012 Recommended Service Changes

- The 2012 Recommended Base Budget includes 11 recommended service changes that result in savings of \$43.191 million in 2012 and incremental pressures in 2013 of \$6.484 million.
- Approval of the recommended service changes will result in a reduction of 19 approved positions reducing the Toronto Police Service's staffing complement to 7,869.
- Recommended service change savings will result in minor service level impacts for the Toronto Police Service arising from continued hiring deferrals of both uniform and civilian positions. The Toronto Police Service anticipates that 2012 hiring deferrals will result in a 2012 position shortfall of:
  - 236 uniform position or 4.2% from 5,604 approved uniform positions; and
  - 117 civilian positions or 5.4% from 2,148 approved civilian positions.

## Base Expenditure Changes

### *Base Budget Reductions*

- The 2012 Recommended Base Budget includes various base budget savings totaling \$12.569 million arising from:
  - ✓ \$3.090 million in reduced Reserve Contributions following a reprioritization of capital projects that are funded from the Toronto Police Service's Vehicle and Equipment Reserve.
  - ✓ \$5.190 million in employee benefit savings resulting from reductions in required OMERS contributions and improved benefit rates arising from a new benefits provider.
  - ✓ \$0.669 million in savings arising from revised 2012 fuel rate projections from \$1.35/Litre to \$1.20/Litre; and a decrease of \$3.619 million in operating impacts of capital as a result of the deferral of the Integrated Records and Information Systems (IRIS) capital project (\$1.855 million is now forecast starting in 2014).

### *Line by Line Review Reductions for Non-Salary Accounts*

- \$4.400 million in reductions are included in the 2012 Recommended Base Budget as a result of a line by line review of the Toronto Police Service's non-salary accounts against previous years' actual experiences and 2012 projected requirements to determine which accounts could accommodate a 10% or greater decrease in costs. The following significant savings have been identified:
  - \$0.806 million in reduced costs for courses, training, conferences and tuition reimbursement; \$0.200 million in general equipment savings; vehicle parts, licenses, gas pumps and car wash savings of \$0.483 million; savings of \$0.400 million in uniform costs; \$0.179 million in savings arising from reductions in cell phones, pagers and wireless services; \$0.229 million in reductions for consulting and contracted services; and a reduction of one-time 2011 costs of \$0.496 million.

### *Absorbed Base Budget Pressures*

- The 2012 Recommended Base Budget includes \$2.208 million in savings for computer maintenance costs, cleaning contracts and telephone expenses arising from a review to determine the extent to which anticipated pressures could be absorbed while ensuring operational and contractual requirements will be met.

## Service Efficiencies

### *Reduction in Caretaking Costs*

- The 2012 Recommended Operating Budget for the Toronto Police Service includes charge back savings of \$0.500 million to the City's Facility Management Division, arising from the implementation of outsourcing custodial services at Toronto Police Service facilities.

### *Senior Officers Restructuring*

- The 2012 Recommended Operating budget for the Toronto Police Services includes savings of \$3.079 million and a reduction of 19 permanent positions, comprised of 1 Deputy Chief position, 12 senior officer positions and 6 civilian management positions, arising from a restructuring of senior officers. Reductions can be implemented effective January 1, 2012 based on the September 1, 2011 approval of a Voluntary Officer Exit Incentive Package (VEIP) applications by the Police Services Board.
- The Service has restructured the organization to both flatten and increase spans of control, resulting in the elimination of the Human Resources Command and the Executive Command and the creation of a new Corporate Command.
  - Services previously provided under the Human Resources Command and the Executive Command will be transferred to other Commands, primarily the newly created Corporate Command; the Administrative Command; or directly to the Chief of Police.
- This service efficiency measure will not impact services or the level of service provided by the Toronto Police Service.

### *Minor Service Impacts*

#### *Continuation of 2011 Hiring Deferral*

- In 2011, Council and the Toronto Police Services Board approved the deferral of civilian and uniform hiring (elimination of recruit classes in April, August and December) for the Toronto Police Service resulting in a reduction of \$7.600 million in the 2011 Approved Operating Budget.
- The 2011 Approved Operating Budget for the Toronto Police Service included future year cost estimates to maintain the Police Service's established strength, adding funding for new recruit classes as part of the 2012 Outlook for consideration by Budget Committee and Council during the 2012 budget process.
- The continued 2011 hiring deferral in 2012 will generate operating savings of \$6.236 million and result in position shortfall from the Service's approved complement by 36 officers and 75 civilian staff.
- Position shortfalls will require the Chief of Police to adjust officer deployment and services delivered as required throughout the year based on policing requirements under the Police Services Act, emerging priorities and available personnel.

#### *2012 Hiring Deferral*

- The 2012 Recommended Operating Budget for the Toronto Police Service includes further savings of \$8.400 million arising from the deferral of civilian and uniform hiring to replace staff separations and retirements that are projected to occur in 2012. The combined

impact of 2011 and 2012 hiring deferrals will result in a position shortfall from the Service's approved complement by 236 officers and 117 civilian staff.

- As indicated previously, position shortfalls will require the Chief of Police to adjust officer deployment and services delivered as required throughout the year based on policing requirements under the Police Services Act, emerging priorities and available personnel.
- A loss of \$6.484 million in grant funding is anticipated in 2013 arising from the continued 2011 and planned 2012 hiring deferral of officers that will result in an actual average uniform strength below eligibility levels for provincial grant funding.
- To maintain the Toronto Police Service's established strength, a request for additional funding for new recruit classes can be expected as part of the 2013 and 2014 Operating Budget Submission for consideration by Budget Committee and Council.
  - It will take at least two years to return to the Service's approved strength.
  - The 2013 and 2014 outlooks include cost estimates of \$10.103 million and \$10.000 million respectively to cease hiring deferrals and begin new recruitment classes to maintain the Toronto Police Service's established strength.
  - These costs are entirely offset by anticipated annualized savings arising from 2012 hiring deferrals and 2013 expected separations and retirements.
  - 2013 and 2014 costs to begin new recruitment classes are subject to consideration and approval as part of the 2013 Budget process.

#### *Premium Pay Reduction*

- The 2012 Recommended Operating Budget for the Toronto Police Services includes savings of \$5.800 million as a result of reducing the premium pay budget. The 2012 Recommended Budget will continue to include \$39.800 million in funding for premium pay requirements, however this minor service change will have the following impact resulting from reduced overtime and callbacks:
  - Reductions in the Toronto Police Service's operational effectiveness of officers, as there will be fewer available hours to complete investigative work; and
  - The Service's ability to absorb the impact of major unplanned events (e.g. demonstrations, emergency events, high profile homicide/missing person cases).
- A portion of the premium pay reduction can be achieved as a direct result of fewer officers in 2012. Premium pay pressures will increase in future years in concert with requests for additional funding for new recruit classes.



**2012 Recommended Service Change Summary**  
**Toronto Police Services Board**  
(In \$000s)

Description	2012 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% of 2012 Budget Reduction Target	2013		2014	
	#	\$	\$	%	\$	# Pos.	\$	# Pos.
<b>Service Efficiencies</b>								
Line-by-Line Review Reductions		(308.5)	(308.5)	(8.0)				
<b>Sub-Total Service Efficiencies</b>		(308.5)	(308.5)	(8.0)				
<b>Total Service Changes</b>		(308.5)	(308.5)	(8.0)				

## 2012 Recommended Service Changes

- The Toronto Police Services Board's 2012 Recommended Base Budget includes 1 recommended service change that results in savings of \$0.309 million in 2012.
- Approval of the recommended service changes will not result in a reduction to the Toronto Police Services Board's staffing complement to 8 positions.
- Recommended service change savings can be achieved without impacting the service levels of the Toronto Police Services Board.

### *Service Efficiencies*

#### *Line by Line Review Reductions*

- \$0.309 million in reductions are included in the 2012 Recommended Base Budget as a result of a line by line review of the Toronto Police Services Board's accounts against previous year actual experiences and 2012 projected requirements to determine which accounts could accommodate expenditure decreases while ensuring operational and contractual requirements will be met. The following significant savings have been identified:
  - \$0.179 million in reduced consulting expenses; \$0.068 million in reduced City Legal chargeback costs; and conferences, courses and seminar savings of \$0.027 million.

## 2013 and 2014 Outlook:

### *Toronto Police Service*

- Approval of the 2012 Recommended Operating Budget for the Toronto Police Service will result in incremental pressures of \$42.798 million in 2013 and \$27.053 million in 2014.
- In 2013:
  - Incremental net expenditures of \$42.798 million are projected for the Toronto Police Service primarily as a result of \$25.688 million in increased salary and benefits costs for wage settlement adjustments; \$9.196 million in OMERS and Benefit increases, \$8.750 million in increases reserve contributions and \$6.484 million in lost grant funding arising from uniform hiring deferrals.
  - These costs will be somewhat offset by an estimated \$6.292 million in court security and prisoner transportation costs to be uploaded by the province and \$1.600 million in savings resulting from the reversal of the 2012 additional calendar day (leap year).
- In 2014:
  - Incremental net expenditures of \$27.053 million are projected for the Toronto Police Service as a result of an estimated \$27.596 million in increased salary and benefits costs for wage settlement adjustments; \$2.777 million in OMERS and Benefit increases; and \$1.515 million in operating impacts of capital arising from the completion of the Integrated Records and Information Systems (IRIS) capital project
  - These costs will be somewhat offset by an estimated \$6.292 million in continued court security and prisoner transportation costs to be uploaded by the province in 2014.
- The 2013 and 2014 outlooks include cost estimates of \$10.103 million and \$10.000 million respectively to cease hiring deferrals and begin new recruitment classes to maintain the Toronto Police Service's established strength. These costs are entirely offset by anticipated annualized savings arising from 2012 hiring deferrals and 2013 expected separations and retirements. However, 2013 and 2014 costs to begin new recruitment classes are subject to consideration and approval as part of the 2013 Budget process.

### *Toronto Police Services Board*

- Approval of the 2012 Recommended Operating Budget for the Toronto Police Services Board will result in incremental pressures of \$0.002 million in 2013 and \$0.002 million in 2014 due to increased salary and benefits costs for TPA wage settlement adjustments.
- Wage settlement adjustments for the Senior Officer organization are not reflected in 2013 and 2014 as they are still subject to future negotiations.

## PART V: ISSUES FOR DISCUSSION

### 2012 and Future Year Issues

#### 2012 Issues

##### *2012 Recommended Operating Budget vs. Guideline*

- In 2012, the Toronto Police Service's required budget reduction is \$93.041 million or the equivalent of 10% of the 2011 Approved Net Operating Budget. The Service has indicated that a reduction of this magnitude cannot be achieved without significant staffing reductions.
- The 2012 Recommended Operating Budget for the Toronto Police Service includes service change savings of \$43.191 million or a reduction equivalent to 4.65% of the 2011 Approved Operating budget, which is comprised of base budget changes of \$19.177 million; savings of \$3.579 million generated from service efficiency measures; and minor service change savings of \$20.436 million. A detailed description of the 2012 recommended service change savings can be found in Part III - "2012 Recommended Service Changes" in these notes. (Pages 13 - 16)
- The 2012 Recommended Operating Budget for the Toronto Police Service of \$933.781 million net is \$49.849 million below their 2012 reduction target of \$93.041 million. In 2013, the Toronto Police Service will be instructed to achieve a reduction target of \$49.849 million above and beyond any 2013 budget targets that may be established City-wide.
- At the October 20<sup>th</sup> Board meeting the Police Services Board approved a recommendation to engage an external consultant to conduct an assessment of the Toronto Police Service to help identify opportunities for additional budget reductions that could be achieved in 2013, in order to meet the remaining 2012 budget reduction target.
- The Police Services Board also approved a motion to establish a working group to:
  - Start preparations for the 2013 budget process immediately.
  - Include a comprehensive review of literature on alternative models of policing.
  - Consult with appropriate stakeholders and experts from different policing and non-policing jurisdictions
  - Development of a framework for consideration of the 2013 operating and capital budget requests.

*Deferral of Uniform Hiring*

- The 2012 Recommended Base Budget assumes there will continue to be no uniform hiring in 2012 due to elimination of recruit classes in April, August and December. This will result in a deployment of uniform officers that is below approved levels. In 2012, the Service estimates that they will maintain an average deployed uniform strength of 5,368 officers, which is 236 officers below the approved uniform establishment.
- The 2013 and 2014 future year outlooks include cost estimates of \$10.103 million and \$10.000 million respectively to resume recruit hiring at an accelerated pace, however these costs to begin new recruitment classes are subject to consideration and approval as part of the 2013 budget process.

**Future Year Issues***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 2012. As a result of the increase in courtrooms, court security costs have risen from 1990 levels to \$45.971 million based on a review of 2010 actual costs.
- Following the Provincial–Municipal Fiscal and Service Delivery Review, released in Fall 2008, the Toronto Police Service, along with the Police Services Board and City of Toronto Staff participated 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.
- As outlined in the Provincial–Municipal Fiscal and Service Delivery Review, the Province will upload the costs of court security over seven years, starting in 2012, by providing funding to all municipalities to a maximum of \$125 million annually at maturity. The following schedule shows the timing and projected province–wide amounts of the upload:

<b>2012:</b> 14% (\$17.5M)	<b>2016:</b> 71% (\$88.75M)
<b>2013:</b> 29% (\$36.25M)	<b>2017:</b> 86% (\$107.5M)
<b>2014:</b> 43% (\$53.75M)	<b>2018:</b> 100% (\$125M)
<b>2015:</b> 57% (\$71.25M)	

- The funding envelopes for each applicable municipality will be confirmed late 2011. Anticipated upload estimates are reflected in the 2012 Recommended Operating Budgets for both the Toronto Police Service and Court Services.

## Issues Referred to the 2012 Operating Budget Process

### *Service Efficiency Studies*

- At its meeting in April, City Council adopted the Service Review program, setting in motion a series of studies including the Toronto Police Service's Service Efficiency Study. This study has been completed by an outside consultant and will be before the City's Budget Committee for its meetings scheduled during December 2 to 9.
- In 2012, the Toronto Police Service will also engage an external consultant to examine administrative and business processes to identify potential efficiencies that can be achieved without impacting service levels.
- It is recommended that findings of these service efficiency studies be considered and if approved, be implemented in future budgets beginning in 2013.

### *Policy Change – Sick Pay Reserve Fund*

- In Fall 2008, through the Adequacy of Employee Benefits Reserve Fund report, Council endorsed a plan to require Agencies, Boards and Commissions to contribute annual funding to the Sick Leave Reserve Fund that matches budgeted withdrawals.
- The Toronto Police Service has historically withdrawn approximately \$6.0 to \$6.5 million more per year than they have contributed to the Reserve Fund. Given funding pressures in 2012, the 2012 Recommended Operating Budget includes a deferral of increasing the Service's contribution to the Sick Leave Reserve Fund to 2013, with an incremental increase of \$6.500 million included in the 2013 outlook.
- The Toronto Police Service will endeavor to increase contributions to the Sick Pay Reserve Fund in 2012 utilizing any year-end surplus generated from in-year efficiency savings.

## Appendix 1

### 2011 Performance

#### 2011 Key Accomplishments:

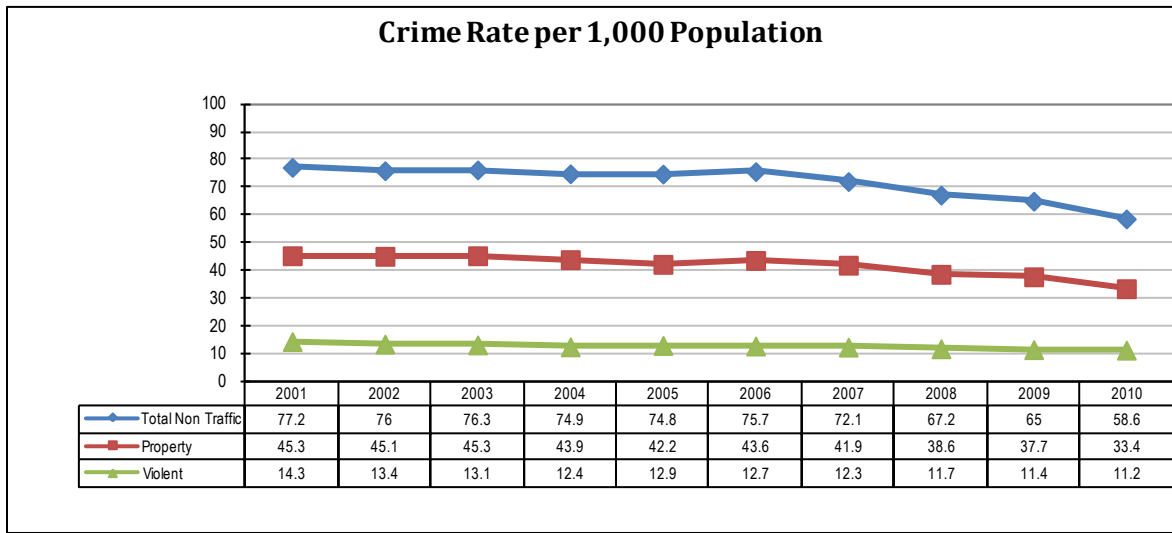
The Toronto Police Service's major accomplishments in 2011 include:

- ✓ A 7% reduction in the Service's 7 major crime indicators, which are used as a high level barometer of crime within the City, as of October 31, 2011, over the same period in 2010, comprised of the following:
  - 41 murders, representing a decrease of 24% from 2010;
  - 1,360 sexual assaults, representing a decrease of 2% from 2010;
  - 13,824 assaults, representing a decrease of 5% from 2010;
  - 3,457 robberies, representing a decrease of 2% from 2010;
  - 5,946 break and enters, representing a decrease of 11% from 2010;
  - 3,428 auto thefts, representing a decrease of 10% from 2010; and
  - 617 thefts over \$5,000, representing a decrease of 16% from 2010.
- ✓ The Service responded to 553,628 calls for service as of October 31, 2011 (an increase of 2%);
- ✓ The Service made 43,898 arrests (Criminal Code and CDSA) as of October 31, 2011 (a decrease of 7%);
- ✓ The Service responded to 1,371 gun calls as October 31, 2011, representing a decrease of 2% from 2010;
- ✓ The Service issued 504,515 Provincial Offences Act tickets (includes speeding, traffic lights, stop signs, LLA, trespass, pedestrian, cyclist, careless driving, etc.), compared to 542,029 issued in the same period in 2010, representing a decrease of 7% from 2010; and,
- ✓ 2,136,599 parking tags had been issued as of October 31, 2011, compared to 2,103,478 in the same period in 2010.

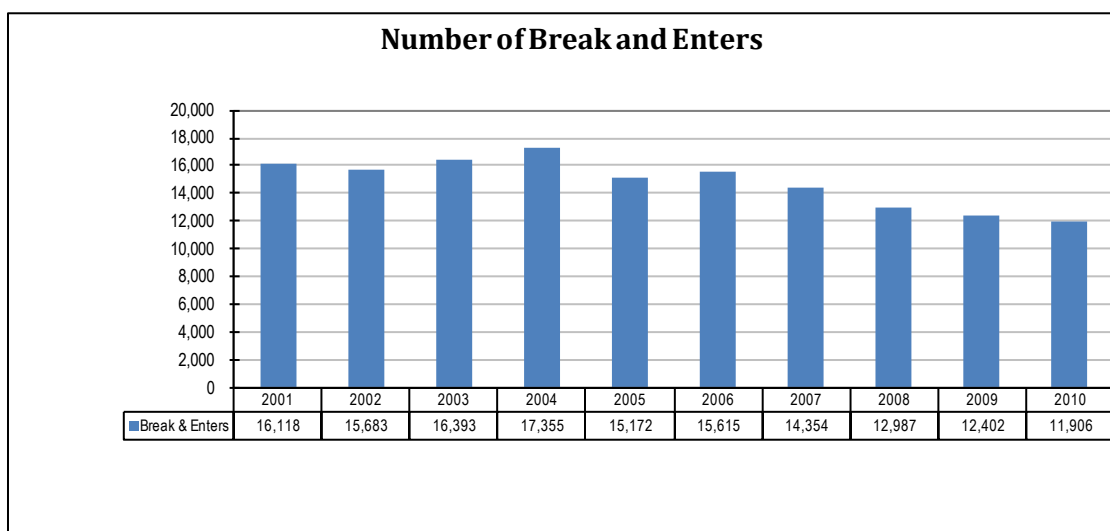
#### 2011 Performance

- The Toronto Police Service produces Environmental Scans which provide a comprehensive assessment of the factors that are expected to influence or challenge the delivery of police services.

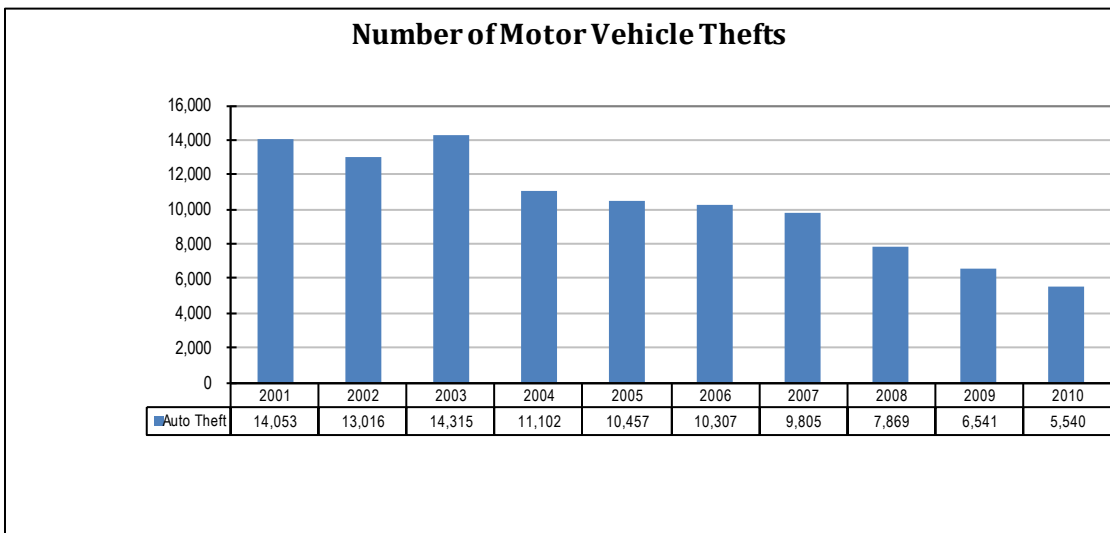
- Due to the long-term nature of many trends outlined in the Environmental Scan, and to align with the Service's Business Planning process, a complete Scan is now produced every three years.
- The Environmental Scans and Environmental Scan Updates are posted on the Toronto Police Service's website: <http://www.torontopolice.on.ca/publications>.
- The 2011 Environmental Scan is expected to be published in late 2011.



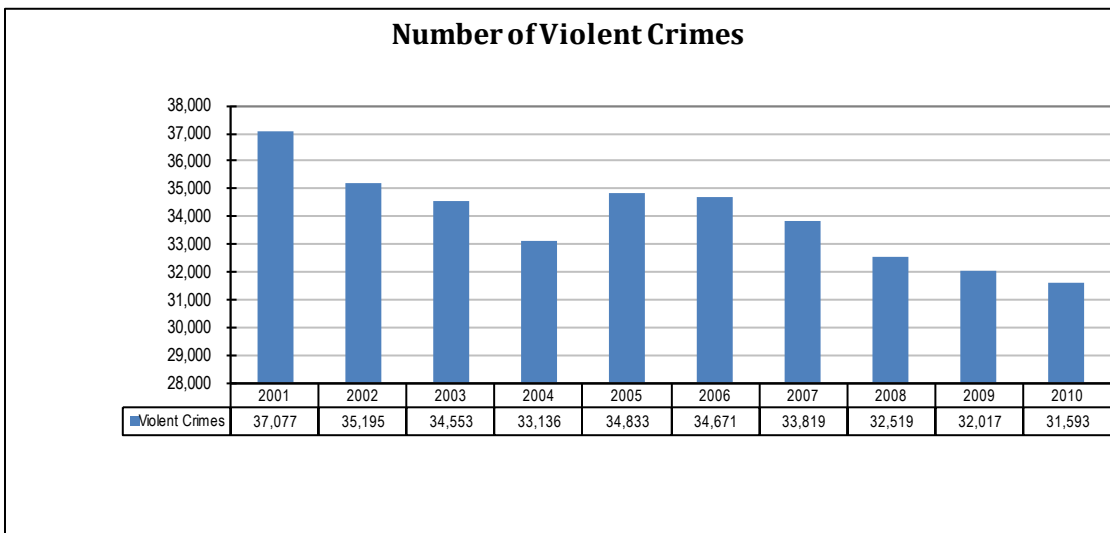
Over the last 10 years, the crime rates per 1,000 population have been declining for each of the major offence categories: non-traffic Criminal Code offences, property and violent crimes. The rate of non-traffic Criminal Code offences decreased from 77.2 in 2001 to 58.6 in 2010. The property crime rate has also experienced a significant decrease, falling from 45.3 in 2001 to 33.4 in 2010, while the violent crime rate decreased from 14.3 in 2001 to 11.2 in 2010.



The number of break and enters has shown a relatively steady decline from 2001. The number of break and enters decreased from 16,118 in 2001 to 11,906 in 2010, which also represented a decrease of 4% from 2009.



The number of auto thefts experienced decreased from over 14,000 in 2001 to 5,540 in 2010, which also represented a decrease of 15% from 2009.



The number of violent crimes decreased by 15% from 37,077 in 2001 to 31,593 in 2010,



## 2011 Budget Variance Analysis

### 2011 Budget Variance Review Toronto Police Service (In\$000s)

(In \$000s)	2009 Actuals	2010 Actuals	2011 Approved Budget	2011 Projected Actuals*	2011 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	925,435.2	1,034,054.8	997,863.2	1,002,700.0	4,836.8	0.5
<b>REVENUES</b>	72,836.7	162,020.3	68,373.1	78,000.0	9,626.9	14.1
<b>NET EXP.</b>	852,598.5	872,034.5	929,490.1	924,700.0	(4,790.1)	(0.5)
<b>Approved Positions</b>	7,830.0	7,896.0	7,888.0	7,870.0	(18.0)	(0.2)

\* Based on the Third Quarter Operating Budget Variance Report.

## 2011 Experience

- The Toronto Police Service's Third Quarter Variance report projects that the Service will be \$4.790 million or 0.5% under the 2011 Approved Operating Budget of \$929.490 million net by year-end.
- The Toronto Police Service's projected unfavourable gross expenditure variance of \$4.837 million or 0.5% above the 2011 Approved Operating Budget is primarily the result of; \$3.127 million in projected increases in salary and benefit costs arising from lower than anticipated 2011 uniform separations (resignations and retirements), which had been budgeted at 220 separations however current projections now estimate 190 separations to year-end; and an additional \$0.400 million in unfavourable variance is projected for slightly higher than anticipated average annual fuel rates for gasoline in 2011.
- The favourable revenues variance of \$9.627 million or 14.1% greater than the 2011 Approved Operating budget results from recoveries from the City related to billings for officer attendance at Provincial Offences Act courts while off duty; increased recoveries in fees and a one-time reversal of a \$1.2 million liability for job evaluation issues that have now been resolved successfully by the Toronto Police Service.

## Impact of 2011 Operating Variance on the 2012 Recommended Budget

- The projected year-end uniform separations have been taken into account in developing the 2012 recommended budget for annualized savings of 2011 separations and projected savings arising from the continued deferral of civilian and uniform hires.

### 2011 Budget Variance Review Toronto Police Services Board (In\$000s)

(In \$000s)	2009 Actuals	2010 Actuals	2011 Approved Budget	2011 Projected Actuals*	2011 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	2,419.5	2,597.2	2,962.4	2,962.4	0.0	0.0
<b>REVENUES</b>	11.8	463.5	610.6	610.6	0.0	0.0
<b>NET EXP.</b>	2,407.7	2,133.6	2,351.8	2,351.8	0.0	0.0
<b>Approved Positions</b>	8.0	8.0	8.0	8.0	0.0	0.0

\* Based on the Third Quarter Operating Budget Variance Report.

## 2011 Experience

- The Toronto Police Services Board's Third Quarter Operating Budget Variance report indicates that the Board expects to be on budget by year-end. The Board's year-end projection of \$2.962 million gross and \$2.352 million net is consistent with the 2011 Approved Operating Budget.

## Impact of 2011 Operating Variance on the 2012 Recommended Budget

- There is no impact of 2011 Operating Budget variance on the 2012 Recommended Operating Budget.

## Appendix 2

# 2012 Recommended Operating Budget by Expenditure Category and Key Cost Drivers

### Program Summary by Expenditure Category Toronto Police Service (In \$000s)

Category of Expense	2009 Actual	2010 Actual	2011 Budget	2011 Projected Actual	2012 Recommended Budget	2012 Change from 2011 Approved Budget		2013 Outlook	2014 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	811,831.7	889,812.8	886,772.6	889,900.0	898,099.2	11,326.6	1.3	928,639.2	958,227.0
Materials and Supplies	18,237.7	22,210.7	19,138.6	20,900.0	21,271.1	2,132.5	11.1	22,398.1	22,730.1
Equipment	4,875.2	9,599.8	2,213.4	2,500.0	1,430.5	(782.9)	(35.4)	1,430.5	1,430.5
Services & Rents	37,081.0	64,166.5	38,526.9	39,600.0	35,573.8	(2,953.1)	(7.7)	36,502.2	37,740.9
Contributions to Capital									
Contributions to Reserve/Res Funds	35,515.3	29,970.9	30,235.9	30,800.0	32,644.0	2,408.1	8.0	41,394.0	42,244.0
Other Expenditures									
Interdivisional Charges	17,894.3	18,294.1	20,975.8	19,000.0	21,131.8	156.0	0.7	22,392.7	23,729.4
<b>TOTAL GROSS EXPENDITURES</b>	<b>925,435.2</b>	<b>1,034,054.8</b>	<b>997,863.2</b>	<b>1,002,700.0</b>	<b>1,010,150.4</b>	<b>12,287.2</b>	<b>1.2</b>	<b>1,052,756.7</b>	<b>1,086,101.9</b>
Interdivisional Recoveries	19,928.4	10,113.1	21,109.9	10,700.0	11,108.8	(10,001.1)	(47.4)	11,108.8	11,108.8
Provincial Subsidies		79,513.9							
Federal Subsidies									
Other Subsidies	22,446.9	29,484.6	22,123.1	25,700.0	38,246.2	16,123.1	72.9	38,054.7	44,347.0
User Fees & Donations	7,833.9	29,623.2	7,870.8	11,900.0	10,033.7	2,162.9	27.5	10,033.7	10,033.7
Transfers from Capital Fund									
Contribution from Reserve/Res Funds	12,760.2	13,285.5	16,372.8	17,000.0	16,980.3	607.5	3.7	16,980.3	16,980.3
Sundry Revenues	9,867.3		896.5	12,700.0		(896.5)			
<b>TOTAL REVENUE</b>	<b>72,836.7</b>	<b>162,020.3</b>	<b>68,373.1</b>	<b>78,000.0</b>	<b>76,369.0</b>	<b>7,995.9</b>	<b>11.7</b>	<b>76,177.5</b>	<b>82,469.8</b>
<b>TOTAL NET EXPENDITURES</b>	<b>852,598.5</b>	<b>872,034.5</b>	<b>929,490.1</b>	<b>924,700.0</b>	<b>933,781.4</b>	<b>4,291.3</b>	<b>0.5</b>	<b>976,579.2</b>	<b>1,003,632.1</b>
<b>APPROVED POSITIONS</b>	<b>7,830.0</b>	<b>7,896.0</b>	<b>7,888.0</b>	<b>7,870.0</b>	<b>7,869.0</b>	<b>(19.0)</b>	<b>(0.2)</b>	<b>7,869.0</b>	<b>7,869.0</b>

## 2012 Key Cost Drivers

- Salary and benefit expenses represent 88.9% of the Toronto Police Service's 2012 recommended gross expenditures. Experienced actual annual salary and benefits costs have increased by 9.6% in 2010, they are projected to increase by 0.01% in 2011 and are budgeted to increase by 1.3% in 2012.
  - Salary and benefit costs have historically increased with contractually obligated wage increases, officer reclassification expenses and increased benefit costs.
  - The significant variance in expenditure increases experienced year over year can be attributed to additional costs in 2010 to accommodate G20 requirements and lower than average increases in 2011 and 2012 arising from hiring deferrals.

- The 2012 recommended increase of \$11.327 million or 1.3% from the 2011 approved budget includes funding for the following significant 2012 pressures:
  - Wage settlement increases for Toronto Police Association members (\$22.321 million);
  - Increased costs for OMERS and benefits (\$9.331 million); and
  - Annualized cost increases arising from 2011 officer reclassifications (\$1.375 million).
- Similar to salary and benefit expenses, services and rents costs have varied over the last 3 years as a result of one-time G20 requirements in 2010 and reduced expenditures in 2011 and 2012 following service efficiency measures. Experienced actual annual services and rents costs have increased by 73.0% in 2010, they are projected to decrease by 38.3% in 2011 and are budgeted to decrease by 7.7% in 2012.
- The Toronto Police Service's actual annual revenues have increased by 122.4% in 2010, they are projected to decrease by 51.9% in 2011 and are budgeted to increase by 4.9% in 2012.
  - Again, the significant increase in 2010 and subsequent decrease in 2011 arises from one-time G20 funding in 2010.
  - The 2012 recommended increase of \$7.996 million or 7.7% is primarily the result of an estimated \$6.292 million in the Provincial upload of court security and prisoner transportation costs, which begins in 2012 based on approximately 14% of 2010 actual costs. The Province will continue to incrementally increase the uploaded costs until 2018 at which time it is anticipated funding will achieve 100% of the 2010 actual court security and prisoner transportation costs.

**Program Summary by Expenditure Category**  
**Toronto Police Services Board**  
(In \$000s)

Category of Expense	2009 Actual	2010 Actual	2011 Budget	2011 Projected Actual	2012 Recommended Budget	2012 Change from 2011 Approved Budget		2013 Outlook	2014 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	868.7	881.8	925.1	925.1	929.2	4.1	0.4	929.2	929.2
Materials and Supplies	4.8	8.3	9.8	9.8	7.3	(2.5)	(25.5)	7.3	7.3
Equipment		1.5							
Services & Rents	950.3	560.2	736.9	736.9	549.6	(187.3)	(25.4)	549.6	549.6
Contributions to Capital									
Contributions to Reserve/Res Funds		600.0	610.6	610.6	610.6	0.0	0.0	610.6	610.6
Other Expenditures									
Interdivisional Charges	595.7	545.3	680.0	680.0	612.0	(68.0)	(10.0)	612.0	612.0
<b>TOTAL GROSS EXPENDITURES</b>	<b>2,419.5</b>	<b>2,597.2</b>	<b>2,962.4</b>	<b>2,962.4</b>	<b>2,708.7</b>	<b>(253.7)</b>	<b>(8.6)</b>	<b>2,708.7</b>	<b>2,708.7</b>
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations									
Transfers from Capital Fund									
Contribution from Reserve/Res Funds		463.5	610.6	610.6	500.0	(110.6)	(18.1)	500.0	500.0
Sundry Revenues	11.8								
<b>TOTAL REVENUE</b>	<b>11.8</b>	<b>463.5</b>	<b>610.6</b>	<b>610.6</b>	<b>500.0</b>	<b>(110.6)</b>	<b>(18.1)</b>	<b>500.0</b>	<b>500.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>2,407.7</b>	<b>2,133.6</b>	<b>2,351.8</b>	<b>2,351.8</b>	<b>2,208.7</b>	<b>(143.1)</b>	<b>(6.1)</b>	<b>2,208.7</b>	<b>2,208.7</b>
<b>APPROVED POSITIONS</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>	<b>0.0</b>	<b>8.0</b>	<b>8.0</b>

## 2012 Key Cost Drivers

- The Toronto Police Services Board's actual annual salary and benefits costs have increased by 1.5% in 2010, they are projected to increase by 4.9% in 2011 and are budgeted to increase by 0.4% in 2012.
  - Salary and benefit costs have historically increased with contractually obligated wage increases, increased benefit costs and Board member remuneration increases.
    - The 2012 increase in salary and benefits is below experiences from previous year increases as wage settlement adjustments in 2011 and 2012 for the Senior Officers Organization is subject to Police Services Board approval.
- The Toronto Police Services Board's actual annual services and rent costs have varied significantly over the past 3 years, with decreases of 41.1% in 2010, projected increases of 31.5% in 2011 and budgeted decreases of 25.4% in 2012.
  - Historically these costs have varied based on one-time emerging requirements within consulting expenses. The 2012 reduction of 25.4% arises from the \$0.309 million in Recommended Service Change savings that primarily consist of reductions in services and rent expenses.

## **Appendix 3**

### **Summary of 2012 Recommended Service Changes**

## Appendix 5

### Inflows/Outflows to/from Reserves & Reserve Funds

#### Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2011*	2013	2014
			\$	\$	\$
Toronto Police Service Vehicle & Equipment Reserve	XQ1701	Projected Beginning Balance	4,704.0	6,864.5	(153.0)
		Proposed			
		Withdrawals (-)	(13,926.0)	(23,854.0)	(18,259.0)
		Contributions (+)	16,086.5	16,836.5	17,586.5
<b>Balance at Year-End</b>			<b>6,864.5</b>	<b>(153.0)</b>	<b>(825.5)</b>

\* Based on 3rd Quarter Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2011*	2013	2014
			\$	\$	\$
Toronto Police Service Health Care Spending Reserve Fund	XR1720	Projected Beginning Balance	1,517.7	1,403.7	2,289.7
		Proposed			
		Withdrawals (-)	(114.0)	(114.0)	(114.0)
		Contributions (+)		1,000.0	1,100.0
<b>Balance at Year-End</b>			<b>1,403.7</b>	<b>2,289.7</b>	<b>3,275.7</b>

\* Based on 3rd Quarter Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2011*	2013	2014
			\$	\$	\$
Toronto Police Service & Board Legal Liabilities Reserve	XQ1901	Projected Beginning Balance	4,596.5	4,707.1	4,817.7
		Proposed			
		Police Service Withdrawals (-)	(580.0)	(580.0)	(580.0)
		Police Board Withdrawals (-)	(500.0)	(500.0)	(500.0)
		Police Service Contributions (+)	580.0	580.0	580.0
		Police Board Contributions (+)	610.6	610.6	610.6
<b>Balance at Year-End</b>			<b>4,707.1</b>	<b>4,817.7</b>	<b>4,928.3</b>

\* Based on 3rd Quarter Variance Report

## Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 31, 2011 *	Proposed Withdrawals (-) / Contributions (+)		
			2012	2013	2014
		\$	\$	\$	\$
Insurance Reserve Fund	XR1010	40,714.1	8,631.0	8,631.0	8,631.0
Central Sick Bank	XR1701	1,257.3	3,240.3	3,740.3	3,740.3
Central Sick Bank	XR1701		(4,286.3)	(4,286.3)	(4,286.3)
Sick Leave	XR1007	3,779.2	4,106.2	10,606.2	10,606.2
Sick Leave	XR1007		(12,000.0)	(12,000.0)	(12,000.0)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			<b>(308.8)</b>	<b>6,691.2</b>	<b>6,691.2</b>

\* Based on 3rd Quarter Variance Report