



STAFF REPORT ACTION REQUIRED

Toronto Police Services Board – 2013 Operating Budget Variance Report for the Period Ending July 31, 2013

Date:	September 25, 2013
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 operating budget variance report for the Toronto Police Services Board (Board) for the period ending July 31, 2013.

RECOMMENDATION

It is recommended that the Budget Committee receive this report for information.

FINANCIAL IMPACT

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

ISSUE BACKGROUND

At its meeting on September 12, 2013, the Board was in receipt of a report dated August 29, 2013 with regard to the Board's 2013 operating budget variance report for the period ending July 31, 2013.

COMMENTS

The Board approved the report dated August 29, 2013.

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

CONCLUSION

A copy of the report dated August 29, 2013 is contained in Board Minute No P226/13. A copy of Board Minute No. P226/13, in the form attached as Appendix "A" to this report, is provided for information.

CONTACT

Alok Mukherjee, Chair
Toronto Police Services Board
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SIGNATURE

Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P226/13

cc. Mr. Rob Rossini, Deputy City Manager and Chief Financial Officer

A: 2013 tpsb operating budget variance ending july 31

APPENDIX “A”

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON SEPTEMBER 12, 2013

#P226. TORONTO POLICE SERVICES BOARD: 2013 OPERATING BUDGET VARIANCE REPORT FOR THE PERIOD ENDING JULY 31, 2013

The Board was in receipt of the following report August 29, 2013 from Alok Mukherjee, Chair:

Subject: OPERATING BUDGET VARIANCE REPORT FOR THE TORONTO POLICE
SERVICES BOARD – PERIOD ENDING JULY 31, 2013

Recommendation:

It is recommended that:

- (1) the Board receive this report; 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 Toronto Police Services Board (Board), at its December 10, 2012 meeting, approved the Board’s 2013 operating budget at a net amount of \$2,251,600 (Min. No. P298/12 refers). Subsequently, Toronto City Council, at its January 15 and January 16, 2013 meeting, approved the Board’s 2013 operating budget at the same amount.

On June 13, 2013, the Board received an Interest Arbitration Award pertaining to the renewal of the collective agreements for the uniform and civilian Senior Officers’ Organization (SOO) bargaining units. As per historical practice, the Board subsequently extended the award to the Excluded staff of the Service. The impact of this agreement on the 2013 operating budget was \$24,300. The Board, at its August 13, 2013 meeting, requested the City of Toronto Budget Committee to approve a budget transfer of \$24,300 to the Board’s 2013 net operating budget from the City’s Non-Program operating budget. City Finance staff have confirmed that the funding to cover this award has been provided for in the City’s non-program expenditure budget, and this transfer would be at no incremental cost to the City. This adjustment results in a revised 2013 net operating budget of \$2,275,900.

The purpose of this report is to provide information on the Board’s 2013 projected year-end

variance.

Discussion:

The following chart summarizes the variance by category of expenditure. The budget and projection have been adjusted to reflect the impact of the salary award, with no net impact on the Board variance.

Expenditure Category	2013 Budget (\$000s)	Actual to July 31/13 (\$000s)	Projected Year- End Actual (\$000s)	Fav / (Unfav) (\$000s)
Salaries & Benefits (incl. prem.pay)	\$999.8	\$566.7	\$999.8	\$0.0
Non-Salary Expenditures	<u>\$1,276.1</u>	<u>\$432.5</u>	<u>\$1,276.1</u>	<u>\$0.0</u>
Total	<u>\$2,275.9</u>	<u>\$999.2</u>	<u>\$2,275.9</u>	<u>\$0.0</u>

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 July 31, 2013, no variance is anticipated. Details are discussed below.

Salaries & Benefits (including Premium Pay)

Year-to-date expenditures are consistent with the budget 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.

The 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 2013 budget includes a \$610,600 contribution to a Reserve for costs of independent legal advice. Fluctuations in legal spending will be dealt with by increasing or decreasing the budgeted reserve contribution in future years' operating budgets.

No variance is anticipated in the remaining accounts at this time.

Conclusion:

The year-to-date expenditure pattern is consistent with the approved estimate. As a result, projections to year end indicate no variance to the approved budget.

The Board approved the foregoing report.

Moved by: D. Noria