



STAFF REPORT ACTION REQUIRED

Toronto Police Service – 2014 Operating Budget Request

Date:	November 14, 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 2014 operating budget request for the Toronto Police Service (the Service).

RECOMMENDATIONS

It is recommended that the Budget Committee:

- (1) approve the Toronto Police Service's 2014 net operating budget request of \$957.7 Million (M), which is \$29.1M or 3.1% over the 2013 approved budget;
- (2) approve a revised uniform establishment of 5,505 officers, which is a reduction of 99 from the current establishment; and
- (3) approve a revised civilian establishment of 2,162, which is an increase of 100 from the current establishment.

FINANCIAL IMPACT

The Service's 2014 operating budget net request of \$957.7M (\$1,086.3M gross) is \$29.1M or 3.1% above the 2013 approved budget. The City Manager has identified a target of \$955.9M, or a 2.94% increase over the 2013 approved budget (equivalent to the 2014 impact of the collective agreement). The Service's request is \$1.8M or 0.2% above this target.

ISSUE BACKGROUND

At its meeting held on November 07, 2013, the Board was in receipt of a report dated November 01, 2013 from Chief of Police William Blair with regard to the 2014 operating budget request for the Toronto Police Service.

COMMENTS

Mr. Tony Veneziano, Chief Administrative Officer, delivered a presentation to the Board on the 2014 operating budget request.

Following the presentation, Chief Blair and Mr. Veneziano responded to questions by the Board.

Mr. John Sewell, Toronto Police Accountability Coalition, was in attendance and delivered a deputation to the Board. Mr. Sewell also provided a written submission in support of his deputation. A copy of Mr. Sewell's written submission is on file in the Board office.

The Board approved the following Motions:

1. THAT the Board receive the presentation and Mr. Sewell's deputation and written submission;
2. THAT the Board approve recommendation no. 1 in the foregoing report (Chief's report dated November 01, 2013) with an amendment so that it now reads as follows:

THAT the Board approve the Toronto Police Service's 2014 net operating budget request of \$957.7 Million (M), which is \$29.1M or 3.1% over the 2013 approved budget.

3. THAT the Board approve recommendation nos. 2, 3, 4 and 5 in the foregoing report (Chief's report dated November 01, 2013).

CONCLUSION

A copy of Board Minute No. P255/13, in the form attached as Appendix "A", regarding this matter is provided for information. A copy of the presentation delivered by Mr. Veneziano is attached as Appendix B.

CONTACT

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Toronto Police Service
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SIGNATURE

Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P255/13
Appendix B: Operating Budget Presentation

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

A: TPS 2014 operating budget.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON NOVEMBER 07, 2013

#P255 TORONTO POLICE SERVICE – 2014 OPERATING BUDGET REQUEST

The Board was in receipt of the following report November 01, 2013 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE – 2014 OPERATING BUDGET
REQUEST

Recommendations:

It is recommended that:

- (1) the Board approve the Toronto Police Service's 2014 net operating budget request of \$958.6 Million (M), which is \$30.0M or 3.2% over the 2013 approved budget;
- (2) the Board approve a revised uniform establishment of 5,505 officers, which is a reduction of 99 from the current establishment;
- (3) the Board approve a revised civilian establishment of 2,162, which is an increase of 100 from the current establishment;
- (4) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information; and
- (5) the Board forward a copy of this report to the City Budget Committee for approval.

Financial Implications:

The Toronto Police Service's (Service) 2014 operating budget net request of \$958.6M (\$1,086.3M gross) is \$30M or 3.2% above the 2013 approved budget. The City Manager has identified a target of \$955.9M, or a 2.94% increase over the 2013 approved budget (equivalent to the 2014 impact of the collective agreement). The Service's request is \$2.6M or 0.3% above this target.

The 2014 request does not achieve the City Manager's target. However, any further reductions would impact Reserve contributions required to meet future obligations, or the Service's ability to provide adequate and effective public safety services to the City of Toronto.

A summary of the Service's 2014 net operating budget request is provided in Table 1. Attachment A provides a detailed summary of the information provided in the remainder of this report and the 2015 and 2016 budget outlooks.

Table 1 - 2014 Summary of Changes

	\$Ms	\$ change over 2013 Request	% change over 2013 Request	\$ change over 2014 Target	% change over 2014 Target
2013 Net Budget	928.6				
2014 Target	955.9				
Impact of 2014 Salary Settlement		\$27.3	2.94%	n/a	n/a
Net impact of salary costs		\$23.6	2.54%	\$23.6	2.54%
Reserve Contributions		\$8.1	0.87%	\$8.1	0.87%
Other Expenditures		\$4.4	0.47%	\$4.4	0.47%
2014 Gross Budget Increase		\$63.4	6.83%	\$36.1	3.89%
Revenues		<u>-\$33.4</u>	<u>-3.60%</u>	<u>-\$33.4</u>	<u>-3.60%</u>
2014 Net Budget Increase		\$30.0	3.23%	\$2.6	0.28%

Background/Purpose:

The purpose of this report is to provide the Board with the Service's recommended 2014 operating budget request. The report includes information on the level of funding required in 2014 to provide adequate and effective public safety services to the City of Toronto. The recommended request has been developed based on current 2014 plans, the impact of collective agreements, anticipated pressures in contractual/mandatory accounts and applying economic factors and guidelines provided by the City.

Discussion:

The sections that follow provide some brief information on the Service's business approach and major accomplishments achieved in 2013, followed by detailed information to justify and explain the various funding requirements that make up our 2014 budget request.

Key 2013 Accomplishments:

Continuous improvement initiatives and managing for value have been, and will continue to be, promoted across the Service to ensure the greatest return is provided on the City's and taxpayers' investment in public safety. To this end, the Service is continuously looking for ways to improve the delivery of policing, support and infrastructure services, as well as management and best practices. Many of these initiatives are the result of the Chief Internal Organizational Review (CIOR) and are summarized below.

Chief's Internal Organizational Review – Impacts and Opportunities:

Efficiency and effectiveness reviews have continued as part of the CIOR, which began in early 2012. These reviews are intended to identify and implement initiatives that will allow the Service to provide sustainable, efficient, effective and economical services. The Service is committed to eliminating the overall need for any additional new positions. The internal review of business processes, with the aim of streamlining or changing existing processes, will enable the redeployment of staff time or positions for better overall service delivery. This should also assist the Service in absorbing additional workload and new resource requirements as they arise.

CIOR initiatives can be categorized into three broad areas:

Civilianization Initiatives:

Civilianization of positions is the assigning of work that does not require a police officer's authorities, use of force options or skills, and is not mandated by the *Police Services Act*, to civilian employees. Often, civilianization results in budget savings, because the newly assigned civilian is paid at a lower rate than the officer (s)he is replacing. In some instances, the civilian may have specialized training and skills and may, in fact, be paid at a higher level than the officer (s)he is replacing.

When civilianization initiatives are identified, the uniform authorized strength is reduced and the civilian authorized strength is increased. Civilianization savings are achieved through the budget process by hiring fewer officers while concurrently hiring more civilians. The Service uniform authorized strength is 5,604, while the civilian authorized strength is 2,062. Civilianization initiatives identified through the work of the CIOR to date would effectively reduce the uniform establishment to 5,505 and increase the civilian establishment to 2,162. It is important to note that the 2014 operating budget does not include the savings from hiring fewer officers because the Service is well below the proposed new authorized strength.

The civilianization initiatives included in the current budget request are outlined in Table 5 of this report in terms of the investment required in 2014 and anticipated program savings, and are discussed below:

- **Divisional Prisoner Management** – Previously, prisoners at policing divisions were managed by police officers. The CIOR identified that court officers who train and specialize in the care and movement of prisoners would provide a more economical model for the Service. The transfer of court officers to divisions began in September 2012. This initiative will ultimately result in the civilianization of 85 uniform positions, with annualized program savings of \$2M. The 2014 operating budget includes a reduced gapping amount for Court Services to backfill the court officer positions that have been transferred to Divisions for the prisoner management function.

- Forensic Identification positions – The CIOR review focused on forensic positions at Forensic Identification Services (FIS) that were being staffed by police officers, but where there was no requirement to attend scenes (thus, no requirement for force options). This initiative will result in the civilianization of 4 uniform positions, with annualized program savings of \$0.1M. The 2014 operating budget includes part-year costs for filling 3 of the 4 civilian positions.
- Scenes of Crimes Officers (SOCO) – The current model for forensic investigation at the Service uses a highly skilled police officer working out of Forensic Identification Services for more serious crimes such as homicides and sex crimes, and a lesser skilled (SOCO) officer working on divisional platoons for crimes of a lesser nature. There is an increasing investment in training commensurate with the level. A CIOR Review investigated the use of civilians throughout the investigative process; benchmarking was conducted, risks and mitigating factors identified, and a cost-benefit analysis completed. The review recommended the replacement of uniform officers doing this function at divisions with approximately 50 civilians, with further potential civilianization of forensics in the future. At this time, civilianization of 10 uniform positions is proposed, with annualized program savings of \$0.2M. The 2014 operating budget includes part-year costs for filling 10 civilian positions. The potential for future additional civilianization in this area will be evaluated after this first civilianization phase.
- Employment Background Consultants – A CIOR review explored the most efficient model to conduct the work and staff background section at Employment (currently, there are 20 established positions in this function). The review concluded that a more economical and no-less efficient model would be to increase the use of contracted retired police officers to do this function. Contractors are hired on an as-needed basis at an hourly rate with no benefits. The 2014 operating budget includes \$0.5M to begin this initiative. No immediate reduction in uniform establishment is proposed at this time, but it is anticipated that this program will save \$1.0M to \$1.5M on an annualized basis, as a result of future civilianization.
- School Crossing Guard Program – Approximately 700 crossing guards are currently managed by 16 Service members, mostly police officers working at divisions and Traffic Services. A CIOR Review assessed this model and recommended that management of this function should be civilianized and centralized, and the 14 full-time equivalent officers replaced by a civilian staff of 12. There is currently one full-time equivalent civilian assigned to this, so this initiative could result in the civilianization of 11 uniform positions and the elimination of a further 3. However, the determination of where the overall administration of the school crossing guard program should reside is the subject of continuing discussions. Therefore, the implementation of this initiative is on hold pending further direction from the City and the Board, and no cost is included in our 2014 operating budget request.

Technological Opportunities:

Technology is also being explored as an enabler to more efficient and cost-effective services with less reliance on human resources. The technological initiatives being explored will require some up-front investment, and in some cases, enabling legislation.

- *Traffic Technology Review* – In May 2012, the CIOR began a review of the use of technology to improve public safety in relation to traffic. The review team assessed a number of technologies such as red-light cameras, pro turn cameras, speed radar cameras and other technologies that were being used in various jurisdictions, as well as the outcomes on public safety for their use. In their final report, the review team cited outcomes that were very positive for traffic safety in the jurisdictions where these technologies were being used. The team provided a strong business case for their use, demonstrating how these technologies would allow the redeployment of officers to more productive public safety activities. The report included a recommendation for the Service to immediately begin to advocate with governing bodies and the City of Toronto for use (or increasing use) of these technologies. The Board has requested the Chief to meet with appropriate provincial and municipal representatives to discuss the feasibility of this recommendation (Min. No. C137/13 refers). This process has begun.
- *CopLogic Review* – In July 2012, a CIOR team reviewed the use of the Service's CopLogic software to enable a process to divert police attendance from minor shoplifting calls to on-line reporting. In its final report, the review team recommended a process, enabled by CopLogic, that would result in the Service diverting approximately 2,000 shoplifting calls a year away from front-line attendance. Additionally, the recommendation included increasing the use of on-line reporting, and the creation of registries for property, elderly persons that wander and for other uses. The 2014 operating budget includes \$0.05M for minor costs related to this initiative.
- *Duty Operations Centre Review* – In January 2013, the CIOR Steering Committee approved considering the creation of an enhanced Duty Operations Centre, to be known as the Toronto Police Operations Centre that will have oversight of policing operations on a 24/7 basis. Its function would include redeployment of primary response officers across divisional borders based on call volumes and wait times, continuous intelligence monitoring and crime analysis. This unit will be operational out of what is currently the Service's Major Incident Command Centre in January 2014. The review is currently assessing technological solutions that would ensure maximum effectiveness of this function.

Other Opportunities being Explored:

The CIOR is also continuing with the analysis and review of a variety of internal and external service improvements and initiatives, including:

- Flexible shift schedules for specialized units;
- Court Services efficiency initiatives, including outsourcing of screening;
- Auxiliary Policing;
- Traffic safety and technology;
- Special Events resource assignment;
- Multi-Agency collaborations;
- Emergency Services efficiency reviews;
- Community engagement and intelligence gathering;
- Customer service excellence; and
- Duty operations review.

Other 2013 Accomplishments:

Provincial funding continues to be leveraged to ensure the Service is able to continue the Toronto Anti-Violence Intervention Strategy (TAVIS), including the placement of dedicated School Resource Officers in various high schools. Other provincial grants have also subsidized our ability to increase officer presence in communities, as well as the engagement of, and developing relationships with, citizens and other stakeholders. This contributes to the Service's objective of crime prevention, as required under the Adequacy Standards in the Police Services Act.

Service-wide implementation of the Integrated Records and Information System (IRIS) is scheduled for November 5, 2013. IRIS is the Service's core operational system that will improve front-line operations, investigative responsibilities and information for operational and decision-making purposes.

The Service engaged an external consultant to review the Service's organizational structure, with the goal of identifying the best structure to deliver services efficiently and effectively into the future. The implementation timeline for this structure is January 1, 2014, and a Board Report will be submitted to the February 2014 public meeting seeking approval for the revised organizational structure.

In September 2013, a Child & Youth Advocacy Centre (CYAC) for the City of Toronto was opened, with the cooperation of six service partner agencies, including Boost Child Abuse Prevention & Intervention, the Toronto Police Service, the Children's Aid Society of Toronto, the Catholic Children's Aid Society of Toronto, the Hospital for Sick Children and the Halton Trauma Centre. This CYAC establishes a coordinated and interdisciplinary approach toward the prevention and treatment of child abuse. The CYAC will offer investigation, protection, victim advocacy, medical examinations, treatment, support, and follow-up care through one centralized hub and any satellite locations necessary.

A new paid-duty administration system will be in place by the end of 2013. As a result of an Auditor General report in 2010, the Chief's direction and the need to comply with Canada Revenue Agency (CRA) statutory deduction requirements on paid duty earnings, the Service conducted a comprehensive review of the de-centralized administration of

paid duties by all divisions. The objective of the new system is to remove the administrative tasks associated with finding officers to perform paid duties from uniform members in divisions across the organization. In addition, the new system will ensure equitable distribution of paid duty opportunities to all members across the Service. Order in-take will become completely centralized, and payment to officers will be made directly to the Service, allowing all CRA compliance requirements to be met. Go live for this system is planned for paid duties beginning on January 1, 2014.

Major Crime Indicators

Seven major crime indicators are used as a key barometer of crime within the City. Table 2 indicates that major crime is down in almost every category, and that overall major crime has decreased by 14% in 2013, compared to 2012 (as of September 30, 2013).

Table 2 - Major Crime Indicators - as at September 30					
Offence	2011	2012		2013	
	Total	% Chg	Total	% Chg	Total
Murder	36	14%	41	12%	46
Sex Assault	1,415	-3%	1,374	-21%	1,086
Assault	13,051	-8%	12,065	-12%	10,652
Robbery	3,044	0%	3,057	-16%	2,578
Break and Enter	5,390	-4%	5,157	-15%	4,401
Auto Theft	3,124	-13%	2,724	-16%	2,296
Theft Over	600	0%	600	-13%	525
Total	26,660	-6%	25,018	-14%	21,584

All of these indicators can, and are used, to measure how safe a city is, which in turn is one of the dynamics that impact quality of life, entertainment, economic development and tourism in a city. A safe city is therefore an important factor in terms of where people live, play, invest, do business and visit. Toronto is one of the safest cities in North America, and the Toronto Police Service has, and will continue to work hard with its community partners and other stakeholders to keep it that way.

City Target and Guidelines:

For 2014, the City Manager and Deputy City Manager/Chief Financial Officer (CFO) requested that each program and agency submit an operating budget equivalent to their 2013 net approved operating budget – a 0% increase.

Subsequently, and taking into consideration the impact of the Service's collective agreement obligations for 2014, the City Manager advised that the Service should target achieving a 2.94% increase over the approved 2013 budget.

City Finance guidelines also instructed that the following factors be considered:

- implementation of Core Service Review / Efficiency Review savings;
- implementation and/or follow up of the User Fee Policy;
- historical spending patterns;
- 0% increase is to be considered the starting point; subject to discussion during the administrative review;
- Multi-year service-based budgeting;
- operating impacts from capital; and
- service-level reduction reversals post-2013 budget approval.

Additional, specific guidelines that pertain to the Service include:

- budget for known wage settlements;
- budget for fringe benefit requirements should be aligned to each position;
- adjust salary budgets for known and unplanned gapping; and
- apply economic factors provided by the City for specific accounts (e.g. gasoline, hydro).

2014 Operating Budget Development Process

The Service has taken all of the City's guidelines into consideration, and in addition to those guidelines, has developed the 2014 operating budget request based on the following actions and directions:

- resume hiring of uniform officers to begin a return to the approved deployment target of 5,604 (with adjustments for civilianization and other initiatives);
- budget for non-salary accounts based on year-end 2012 information, year-to-date 2013 information, and known changes;
- no new/enhanced services/initiatives; and
- operating impacts from capital be reviewed and minimized wherever possible.

The Service began its 2014 operating budget development in April 2013. The target and deadlines were communicated to the Board's Budget Sub-Committee (BSC) for discussion at its meeting of June 4, 2013. The BSC recommended that the Service develop a preliminary, worst-case budget scenario, identifying all known pressures at that time, for the Board's consideration at the June 20, 2013 confidential Board meeting. The Board received the preliminary budget scenario, which reflected a 7% increase over 2013 (Min. No. C133/13 refers). This preliminary budget served as the starting point for City Finance staff review.

From May to August 2013, a detailed budget development and review process continued within the Service, with budgets developed at the unit level, reviewed by respective Staff Superintendents and Directors, and Command Officers, and then collectively by the Chief and Command.

Throughout this review period, Service staff continued to fine-tune the budget request with more up-to-date information and analysis. For example, accounts that are based on trends (such as medical benefits) can be updated with more recent actual expenditures. On September 16, 2013, the Board BSC was presented with a budget estimate that reflected a 5.5% increase over 2013.

Further consultations with the Board BSC were held on September 27, October 4, and October 16, 2013. Concurrently, meetings with City Finance staff, the City's CFO and City Manager occurred on September 27 and October 16, 2013. At the October 4, 2013 meeting with the Board BSC, the BSC requested the Chief to consider and provide the BSC with the staffing and financial impacts of having a December 2013 class that would graduate in May 2014.

On October 16, 2013, a further-refined budget estimate was provided to the Board BSC and City Finance staff, reflecting a 3.8% increase over 2013. The Board BSC was also provided with information on what the impact would be of having a December 2013 recruit class, including the impact on provincial grant funding.

The Board BSC asked that the budget request be presented to the full Board at a confidential meeting on October 29, 2013. At that meeting, the Board approved a recommendation that *"the Chief of Police move forward with a 2014 operating budget request that includes a recruit class of 60 to be hired in December 2013"* (Min. No. C231/13 refers).

2014 Operating Budget Request:

Note: The CIOR has identified recommendations for civilianization that would change the Service's approved uniform deployment target to 5,505. For the purposes of discussion in this section of the report, all comparisons are made to the current Board and City-approved establishment and deployed target of 5,604 (including the TAVIS-funded School Resource Officers).

The 2014 net operating budget request of \$958.6M will result in the Service attaining an average deployed strength of 5,266 officers in 2014 (which is 338 below the currently approved target of 5,604), as well as services, supplies, equipment and internal services required to effectively support operations.

Figure 1 indicates that, on a gross basis, 89.0% of the Service's budget is for salaries, benefits, and premium pay (court attendance, callbacks and required overtime). The remaining 11.0% is required for the support of our human resources in terms of the replacement/maintenance of the vehicles, equipment, technology and information they use, facilities they work in, mandatory training they require, etc.

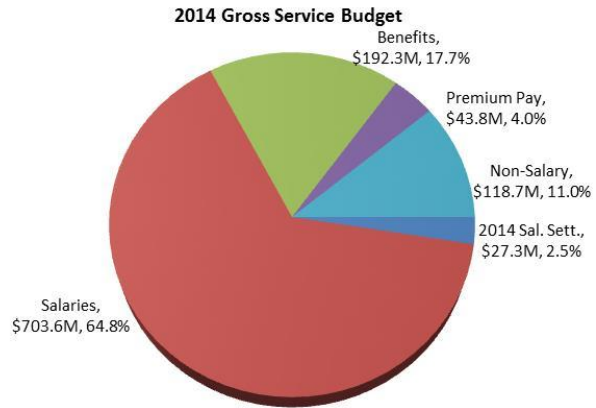


Figure 1. Overall Budget Request

Table 3 summarizes the current 2014 request by category of increase, followed by a discussion on each category.

Table 3 - Summary of 2014 Budget Request By Category of Increase

	2014 Request \$Ms	\$ Increase / (Decrease) over 2013 Budget	% Increase / (Decrease) over 2013 City Budget
2013 Net Budget - \$928.6M			
(a) Estimated Impact of 2014 Salary Settlement	27.3	\$27.3	2.94%
(b) Salary Requirements	702.4	\$22.4	2.42%
(c) Premium Pay	43.8	\$0.8	0.08%
(d) Statutory Deductions and Fringe Benefits	192.3	\$0.5	0.06%
(e) Reserve Contributions	37.9	\$8.1	0.87%
(f) Other Expenditures	80.9	\$3.1	0.33%
(g) New Items	1.2	\$1.2	0.13%
(h) Revenues	- 127.2	-\$33.4	-3.60%
Net Request/Amount above target	\$958.6	\$30.0	3.23%

(a) Estimated Impact of 2014 Salary Settlement

The current collective agreement with the Toronto Police Association (TPA) and Senior Officers' Organization (SOO) will expire on December 31, 2014. The 2014 operating budget request includes \$27.3M for the estimated impact of these collective agreements.

(b) Salary Requirements

The total salary budget for 2014 (exclusive of the impact of the salary settlements) is \$702.4M. This budget represents an increase of \$22.4M (a 2.4% increase over the Service's total 2013 operating budget). Table 4 provides a summary of changes in this category, each of which is discussed in detail below.

Table 4 - Breakdown of Salary Requirements

	Change \$Ms
- Human Resource strategy for uniform members	
- 2014 impact of 2014 replacements	\$6.8
- 2014 part-year savings from separations (estimated at 165 officers)	-\$9.4
- 2014 annualized savings from 2013 separations (projected at 165)	-\$8.9
- 2014 annualized impact of 2013 replacements	\$4.2
- 2013 annualized and 2014 part-year reclassification costs	\$3.3
- Resumption of civilian hiring to backfill vacancies	\$1.2
- Paid Duty Officers' Salaries (offset by revenues)	\$24.7
- Net Other Changes (e.g., in-year job reclassifications, chg in leaves, etc.)	<u>\$0.5</u>
Total	\$22.4

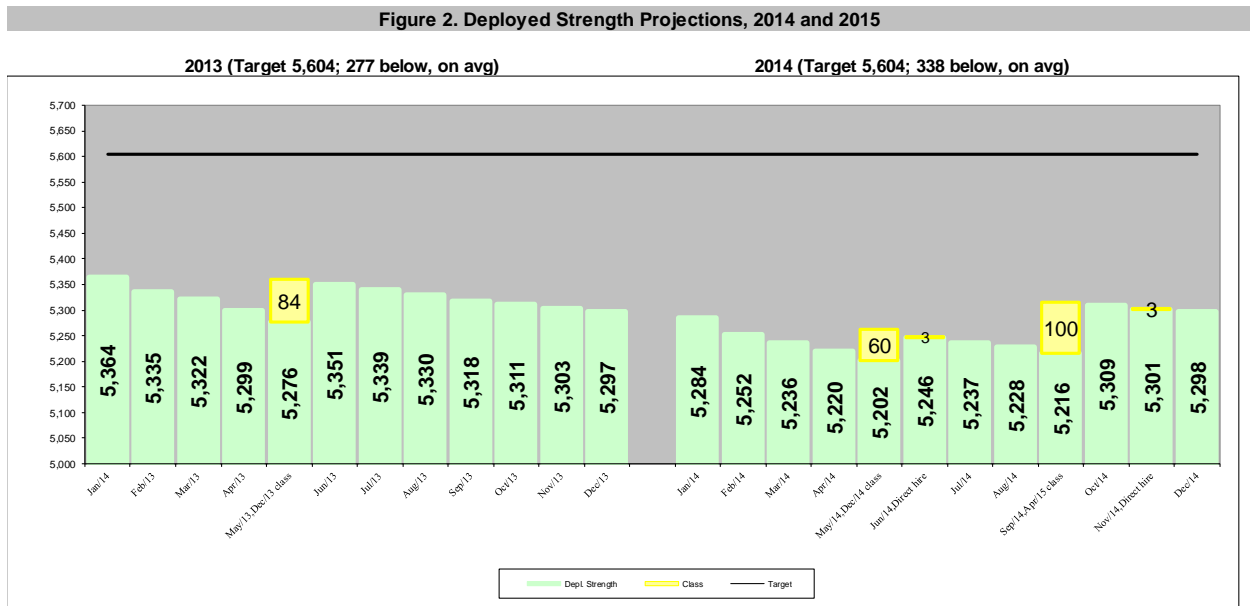
Human Resource (HR) Strategy for Uniform Members: The Service normally plans class sizes for the three intake classes held annually by the Ontario Police College (in April, August, and December) with the goal of maintaining an average deployed strength equal to the target. In light of budget pressures, the Service has not budgeted for regular recruit classes since December 2010, with the exception of a December 2012 recruit class of 84 that was approved during the 2013 operating budget process. Since separations (retirements and resignations) have continued to occur, the year-end deployed strength for 2013 is projected to be 5,297. This is 277 officers below the approved establishment of 5,604.

Based on the Board's approval at its October 29, 2013 meeting, the Service's 2014 budget request assumes that hiring will resume with a class of 60 recruits in December 2013, and classes in each of the three intakes in 2014. The Service's ability to increase staffing levels is limited by size and timing of the intake classes. The objective to begin returning to approved staffing levels has been balanced with the need to achieve the City's target, and maximize grant funding, so class sizes have been established at 100, 80 and 120 for 2014. The annualized cost of the December 2013 recruit class is \$4.2M. The part-year cost of the 2014 hires is \$6.8M.

2013 separations are projected at 165 (compared to 180 as budgeted for in 2013). 2014 separations are also projected at 165. Resignations and retirements occur throughout the year. Given that the Service budget is based on the timing of hires and separations, the impacts from 2013 must be annualized in the following year. The 2014 annualized net impact of 2013 separations results in a budget reduction of \$8.9M. The part-year savings of 165 officers leaving in 2014 is estimated at \$9.4M.

Figure 2 depicts the net impact of separations and hires in each month for 2013 and 2014, based on the assumptions identified above.

As the chart shows, even with a December 2013 class of 60 and continued hiring in 2014, the Service will be, on average, 338 officers below our current approved establishment in 2014. Without the class of 60 in December 2013, the Service would be at about 5,170 officers during the busy summer months of 2014 – or about 430 officers below our approved strength.



Officers are hired at a recruit salary rate, receiving pay increases as they continue to move up through the ranks. This creates annual budget pressures until officers become first-class constables (a four-and-a-half year process from date of hire). The cost of reclassifications for officers hired in 2010 and in previous years is \$3.3M in 2014.

HR Strategy for Civilian Members: The CIOR has identified recommendations for civilianization that would change the Service’s approved civilian establishment to 2,162. For the purposes of this discussion, all comparisons are made to the current Board and City-approved establishment of 2,062. This establishment pertains to the permanent full-time complement of the Service and excludes part-time and temporary personnel. Permanent staff for the Board office and Parking

Enforcement unit are also excluded as these units have separate operating budgets.

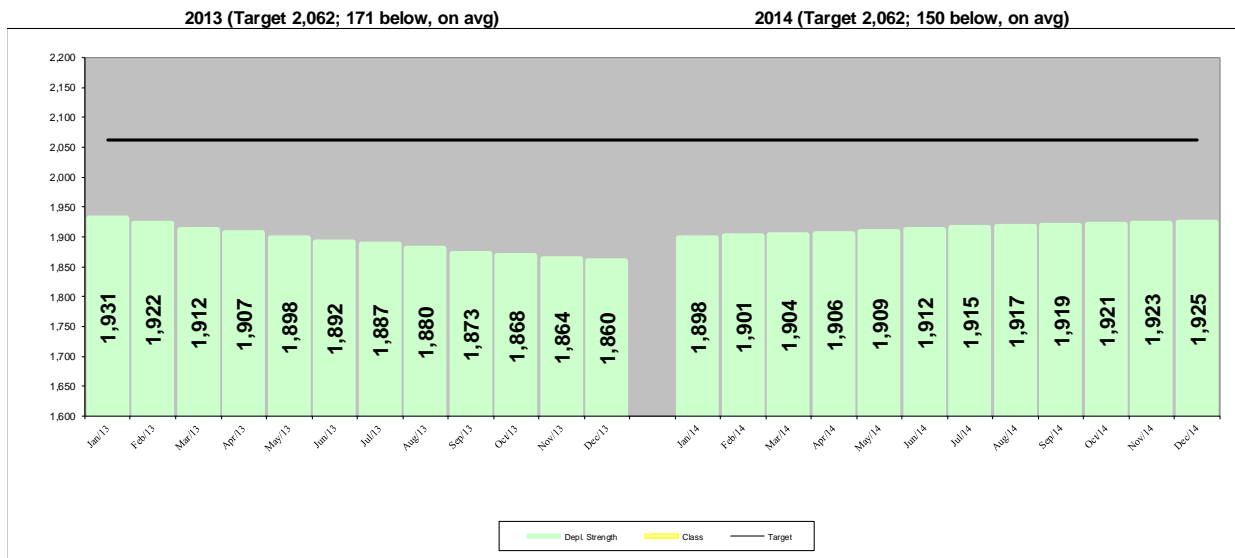
As part of the 2013 budget approval, the Board directed that, with the exception of communication operators, there be no civilian hiring except where warranted and approved by resolution of the Board, following a detailed business case submitted by the Chief. The Board's direction has resulted in a very significant reduction in 2013 hires. The time required to fill positions has been extended due to the need to obtain Board approval to start the hiring process for any vacancies, and for the appointment or promotion of the successful candidate(s). In addition, the number of civilian separations to date is higher than what had been assumed for the 2013 budget. As a result, civilian staffing levels are currently well below establishment.

The increasing number of uniform and civilian vacancies throughout the Service is placing an ever-increasing strain on remaining staff, and is having a detrimental impact on operations. Staff are required to take on responsibilities left unfulfilled by vacant positions and are focusing only on the mandated responsibilities and functions. As a result, staff's ability to review processes for efficiencies is seriously hindered by their need to focus only on day to day work. Overburdening staff results in an increased risk of errors and omissions, which could in turn lead to unnecessary or avoidable costs, and impact negatively on the Service's ability to maintain public confidence and accountability. The Service continues striving to provide required services and support with the ever-increasing number of vacancies. However, the risk of activities not being fulfilled, services delayed and errors and omissions occurring continues to grow. Furthermore, not filling key vacancies is simply not sustainable nor a prudent action in the longer term.

Continued vacancies, and the Service's inability to fill these vacancies, are also negatively impacting the well-being of some employees, and the general morale of staff is declining. In addition, the amount of time and effort required to prepare the reports to the Board requesting approval to fill already approved vacant positions or appointments, is in itself causing inefficiencies.

The Service will be about 200 below the current approved establishment by year-end 2013. Civilian separations in 2014 are estimated at 85, based on historical experience. The 2014 operating budget assumes the resumption of civilian hiring at a rate that would keep pace with separations, assuming an average six-month salary gap for each anticipated vacancy, with the exception of positions that must be fully staffed, such as Communication Operators and Court Officers, and begin filling existing vacancies. This increased hiring pace results in a \$1.2M pressure on the 2014 budget request. Figure 3 depicts the net impact of separations and hires in each month for 2013 and 2014 for civilians.

Figure 3 - Civilian Deployed Strength Projections



Paid-duty Officer Salaries: Currently, paid-duty salaries are paid by the requesting customer directly to the officer performing the paid duty. Beginning in 2014, paid-duty salaries will be submitted to the Service by customers, and disbursed to officers as part of the bi-weekly payroll process. An increase of \$24.7M in salaries is directly offset by an increase of \$24.7M in revenues to reflect this payroll change.

Net Other Changes: The mix of personnel in the Service changes from year-to-year. For example, as officers with retention pay retire from the organization, the average salary becomes slightly lower. The salary budgets are also comprised of various other expenditures (e.g., acting pay and other premiums on salaries, as well as temporary salaries for school crossing guards, lifeguards, etc.). In total, net other changes in all salary accounts result in an increase of \$0.5M in 2014.

(c) Premium Pay

Premium pay is incurred when staff are required to work beyond their normal assigned hours for extended tours of duty (e.g., when officers are involved in an arrest at the time their shift ends), court attendance scheduled for when the officer is off duty, or callbacks (e.g., when an officer is required to work additional shifts to ensure appropriate staffing levels are maintained or for specific initiatives). Figure 4 provides a breakdown by category of premium pay.

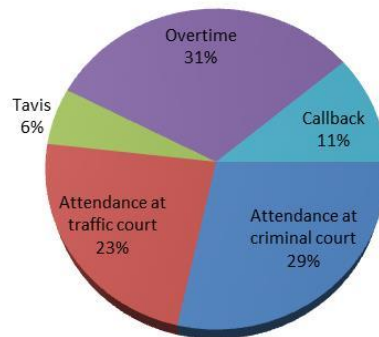


Figure 4. Premium Pay by Reason for Expenditure

The 2011-2013 premium pay budgets were reduced by a total of \$7.7M (20.6%) to address budget pressures (after adjusting for salary settlements, and excluding the impact of off-duty court attendance). This includes the \$1.4M premium pay reduction made by the Board during the 2013 operating budget approval.

The Service’s ability to absorb the impact of major unplanned events (e.g. demonstrations, emergency events, high profile homicide/missing persons) relies on the utilization of off-duty officers which results in premium pay costs. In order to address anticipated needs in 2014, the premium pay budget has been increased by \$0.8M (a 0.1% increase over the Service’s total 2013 budget).

(d) Statutory Payroll Deductions and Fringe Benefits

- This category of expenditure represents an increase of \$0.5M (a 0.1% increase over the Service’s total 2013 budget). As shown in Figure 5, fringe benefits for the Service are comprised of statutory payroll deductions and requirements as per the collective agreements.

Payroll Deductions: Statutory payroll (EI, CPP and EHT) and pension (OMERS) benefits are based on specific formulae that are affected by gross salaries. No changes to the Yearly Maximum Pensionable Earnings (YMPE) level for 2014 have been identified to date; Employment Insurance has confirmed there is no change to the Insurable Earnings level in 2014. Total costs are projected to increase by \$0.4M.

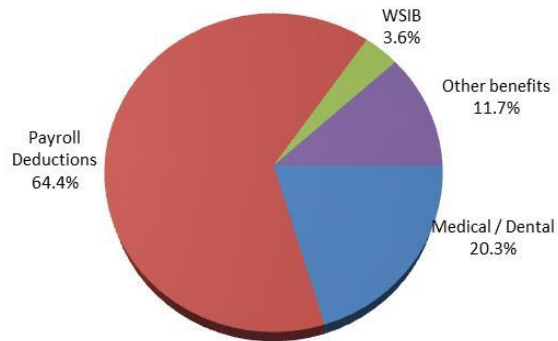


Figure 5. Breakdown of Statutory Deductions and Fringe Benefits

Medical/Dental Coverage: The budget for these benefits is based on the cost of drugs and services, dental fee schedule, utilization rates and administration fees. Costs for drugs and dental services are based on the average increase experienced over the last four years. In 2013, the Service observed a marked decline in the increase for these benefits. This has been reflected in the 2014 request, with a projected increase of \$0.2M.

Net other changes to benefits: The various changes in costs in other accounts (such as retiree medical / dental, group life insurance and Workplace Safety and Insurance Board (WSIB) result in a net decrease of \$0.1M.

(e) Reserve Contributions

The Service contributes to reserves through provisions in the operating budget. All reserves are established by the City. The City manages the Sick Pay Gratuity and Insurance reserves, while the Service manages the remaining reserves (i.e., Vehicle & Equipment, Legal, Central Sick Bank and Health Care). The total 2014 budget for contribution to reserves is \$37.9M. This budget represents an increase of \$8.1M over the 2013 contribution amount (a 0.9% increase over the Service's total 2013 operating budget). The 2014 reserve contribution increase is due to the following:

- Sick Pay Gratuity Reserve (increase of \$2.0M): The Sick Pay Gratuity reserve is managed by the City, which provides the Service with the annual contribution amount. A detailed review of this reserve by the City indicated that the Service's annual contribution to the Sick Pay Gratuity reserve should be increased by \$6.5M annually to meet current annual draws/payments. However, after discussions with the City Manager and CFO, this increase has been deferred annually over the last several years to help offset other budget pressures.

The Service initially reinstated the required \$6.5M increase in full for the 2014 budget request, an action that was generally supported by Board BSC members. However, to mitigate budget pressures in 2014, the City Manager and City CFO have recommended phasing in this increase over the next 3 years. The Service continues to feel strongly about increasing our contribution to the level required to meet our annual sick pay obligations. However, to help reduce our funding request and help deal with overall budget pressures, our 2014 budget increase has been adjusted to \$2.0M (a reduction of \$4.5M) to reflect the phasing in recommended by City staff. Further increases of \$2.0M in 2015 and \$2.5M in 2016 will be included so that our budget base includes the funding necessary to meet our annual payments for this purpose.

- Contribution to Vehicle and Equipment Reserve (increase of \$6M): This reserve is used to fund the lifecycle replacement of the Service fleet of vehicles, information technology equipment, and various other equipment items. Each category of assets funded from this reserve is analyzed to determine how often it should be replaced as well as specific replacement requirements, which in turn determines the level of contribution required annually to enable the replacement. Life cycles for vehicles and computer equipment have been extended as much as possible without negatively impacting operations and officer safety, or causing significant repair and maintenance costs. As part of the 2013 budget approval, the Board directed that 2013 contributions to this Reserve be reduced by \$5M (Min. No. P299/12 refers). Every effort has been made to reduce expenditures in this Reserve in 2013, to address the impact of the significantly lower (30%) contribution, resulting from the Board's reduction. Furthermore, the Service continues to perform a line-by-line review of lifecycle items in the Reserve to determine if any sustainable reductions can be achieved. Based on current lifecycle expenditure requirements, the deferred contribution has been reinstated in 2014, along with further planned annual increases of \$1.0M.

(f) Other Expenditures

The remaining expenditure categories include the materials, equipment and services required for day-to-day operations. Wherever possible, accounts within this category have been flat-lined to the 2013 level or reduced even further. Changes have only been included where considered mandatory, and one-time reductions have been taken into account where applicable. The total increase for these expenditures is \$3.1M (a 0.3% increase over the Service's total 2013 operating budget). The following summarizes the most significant changes:

- Caretaking, Maintenance and Utility Costs for TPS facilities (decrease of \$1.3M): The City provides caretaking and maintenance services for the Service, and administers the Service's utility costs. City and Service staff have reviewed the costs for all facilities in detail and, taking into consideration appropriate service levels for caretaking and maintenance, as well as historical spending for utilities, this budget has been reduced by \$1.3M. Service and City staff will closely monitor expenditures and service levels during the year to ensure this spending level is not exceeded and service levels remain unchanged.
- Gasoline (increase of \$0.8M): The Service obtains its gasoline based on a joint contract coordinated by the City. The City establishes a cost-per-litre for budgeting purposes, and the Service applies this cost to its anticipated consumption levels. In addition, the City's Emergency Medical Services (EMS) staff access the Service's fuel sites for their gasoline requirements and EMS reimburses the Service for the actual cost of gas used. The 2013 budget was reduced by \$0.7M to address part of the Board's unallocated budget reduction. The 2014 budget request is based on City established pricing.
- Computer Maintenance (increase of \$0.6M): This increase is due to various contract increases for the Service's maintenance of hardware and software.
- Impact from Capital (increase of \$0.7M): When the capital budget is prepared, estimated operating budget impacts are included as part of the business case, and are identified to the Board during its consideration and approval of each project in the Capital Program. The operating impact from capital projects in 2014 relate to licensing and maintenance costs for the Toronto Radio Infrastructure Project (TRIP), eTicketing and Integrated Records and Information System (IRIS) projects.
- Recruit Hiring cost (increase of \$1.8M): As indicated in the HR section of this report, the Service is resuming hiring of recruits in December 2013 and in 2014. In addition to salary costs, there are hiring, outfitting and training requirements for these recruits.

- Net other changes (increase of \$0.5M): In addition to the specific accounts listed above, the non-salary accounts are comprised of many different type of expenditures, including materials and supplies (such as office supplies, health and safety supplies, and fingerprinting supplies) and services (such as repairs to equipment, telephone lines, courses and conferences, etc.). These accounts have been reviewed and reduced wherever possible. In all cases, increases have been justified during the budget process to ensure that they are operationally required.

(g) New Items

There are two new items in the 2014 operating budget request:

- CIOR Initiatives (increase of \$1.1M): As indicated in the “key accomplishments” section of this report, the Service has conducted several efficiency and effectiveness reviews, and identified several initiatives that will allow the Service to provide more efficient, effective or economical services. Table 5 summarizes the initiatives that have been recommended for implementation, and their estimated operating budget impacts. The “2014 Budget Impact” column identifies the pressure in 2014 to begin implementing the initiative. The “Program Impact” column identifies the annualized savings the Service will ultimately realize as a result of the civilianization.

Table 5 - Summary of CIOR Initiatives with 2014 Budget Impact

Description	Uniform Impact	Civilian Impact	2014 Budget Impact (\$000s)	Program Impact (\$000s)
Divisional Prisoner Management	-85	+85	tbd	-\$1,950.3
Civilianize Forensic Identification positions	-4	+4	\$122.7	-\$81.8
CopLogic and Theft (shoplifting) Call for Service Diversion	0	+0	\$45.0	\$0.0
Employment Background Consultants	tbd	tbd	\$549.6	tbd
Civilianization of SOCO Positions	-10	+10	\$405.9	-\$229.4
TOTAL	-99	99	\$1,123.2	-\$2,261.5

- New Civilian Position – CYAC Intake Coordinator (increase of \$0.05M): As indicated in the “key accomplishments” section of this report, the CYAC was opened in September 2013. There are 17 officers assigned to this function that will now be physically located at the CYAC. An intake coordinator position is therefore required at the Centre to ensure officers are not spending time on administrative duties that would otherwise be focused on conducting investigations.

(h) Revenue

Total revenue has been increased by \$33.4M, resulting in a 3.6% decrease over the Service’s total 2013 budget.

- Provincial funding for Court Security Costs (increase of \$6.3M): In 2011, the Ontario government announced that it will be removing up to \$125M in court security and prisoner transportation costs from municipal budgets by 2018, phasing in the upload of these costs starting in 2012. The Service anticipates an increase of \$6.3M for 2014.
- Prisoner Return Recoveries (decrease of \$1.4M): When the Maplehurst Detention Centre and Vanier Centre for Women opened in 2003 in Milton, the provincial government began reimbursing the Service for the additional cost of transporting prisoners from Milton to Toronto. The Ministry will be relocating these prisoners from Milton to the new Toronto South Detention Centre starting in April 2014, resulting in a reduction of revenue from the Ministry associated with the transportation of prisoners from Milton. The impact of this change on staffing levels continues to be analyzed. However, transportation of prisoners will continue to the new Toronto South Detention Centre, and it is not anticipated that there will be a significant change to operations.
- Grants (increase of \$1.2M): The Service receives two grants from the Ministry of Community Safety and Correctional Services that require the Service to maintain uniform staffing at specified levels to maximize grant funding: the Community Policing Partnership (CPP) Grant and the 1,000 Officers – Safer Communities Grant (Safer Communities). In previous years, the Service also received funding under the Police Officer Recruitment Fund (PORF). This grant expired in March 2013. Attachment B provides a summary of the CPP and Safer Communities grants with respect to the staffing thresholds assumed for each.

Based on the current hiring scenario, the Service expects to receive full funding from the Safer Community grant in 2014. As a result, the reduction in the 2013 operating budget has been reversed for 2014 (an increase of \$1.9M). At the same time, the Police Officer Recruitment Fund (PORF) grant concluded in March 2013, resulting in a \$0.7M pressure for 2014.

- Paid-duty Officer Salaries (increase of \$24.7M): As indicated in the salaries section of this report, currently, paid-duty salaries are paid by the requesting customer directly to the officer performing the paid duty. Beginning in 2014, paid-duty salaries will be submitted to the Service by customers, and disbursed to officers as part of the bi-weekly payroll process. An increase of \$24.7M in salaries is directly offset by an increase of \$24.7M in revenues to reflect this payroll change.
- Recovery from PanAm 2015 (increase of \$1.6M): The Service has begun planning for the security requirements for the 2015 PanAm games, and is anticipating a recovery for these planning costs.
- Net other changes (increase of \$1.0M): Changes in various other accounts (e.g. recoveries and draws from Reserves to offset increased expenditures) result in a net increase in revenues.

2015 and 2016 Outlooks

Attachment A provides the 2015 and 2016 outlook budgets for the Service. It should be noted that there is no contract settlement in place after December 2014. The outlooks demonstrate that the Service anticipates a 3% pressure in 2015 and a 1.0% pressure in 2016 (prior to the impact of salary settlements).

Conclusion:

The Service's 2014 net operating budget request of \$958.6M is \$30.0M or 3.2% higher than the 2013 net operating budget. The increase over the Service's 2014 target requested by the City manager, is \$2.6M, or 0.3%.

The 2014 budget request includes the funding required to achieve an average deployed strength of 5,266 in 2014, which is 338 below the authorized target of 5,604, and 61 below the average deployed strength projected for 2013. However, the HR strategy reflected in the 2014 operating budget does ensure that the Service's strength at the end of 2014 is equivalent to that at the end of 2013. It also ensures the Service has an additional 60 officers available for deployment during the busy summer period in 2014.

The budget also provides funding for the necessary supporting infrastructure (e.g., civilian staffing, equipment, services). The budget assumes that civilian hiring will resume at a moderate pace, to begin addressing the significant staffing shortages currently affecting the Service. The budget also provides funding for part-year costs related to civilianization initiatives that will allow the Service to provide the same services at a reduced cost.

As shown in Figure 6, the majority of the Service's budget is allocated to front-line activities such as responding to calls, investigations and traffic enforcement.

Other policing activities include community-based foot and bicycle patrol, and provision of court services. 15% is allocated to internal services like Fleet, Information Technology (IT) and Communications, and 4% is assigned to Human Resources administration and training.

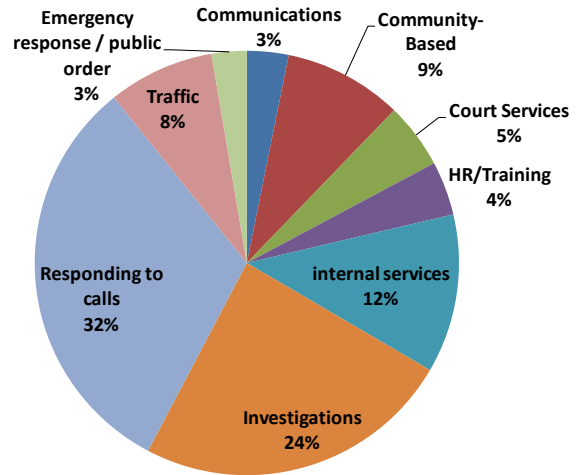


Figure 6 - How Does the Service Use the Taxpayer's Investment in Public Safety

It is important to note that the Service has faced on-going pressures to reduce its operating budget requirements over the last several years, while dealing with significant collective agreement impacts, which are beyond the Service's control. We have also had to address and fund inflationary and other pressures, such as benefit increases, gasoline costs, etc.

The Service has and continues to promote continuous improvement and value for money thinking across the organization to help address these on-going budgetary pressures. To this end, a number of reviews and initiatives (internal and external) have been conducted over the last several years that have resulted in efficiencies, cost savings and avoidance, as well as obtaining greater value from our people and other resources. The CIOR initiatives identified in this report will enable more sustainable, effective and value-added public safety services.

Table 6 summarizes budget increases over the last several years, and Attachment C provides more detailed information with respect to the breakdown of the overall increases.

Table 6 – Summary of Year-Over-Year Change - Net Operating Budget (\$Ms)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 Req.
Net Budget	669.7	708.3	744.5	778.4	814.2	846.9	880.4	922.6	927.8	928.6	958.6
\$ Increase		38.6	36.3	33.8	35.8	32.8	33.4	42.2	5.3	0.8	30.0
Total % increase		5.8%	5.1%	4.5%	4.6%	4.0%	3.9%	4.8%	0.6%	0.1%	3.2%
Collective Agreement (% impact)		3.4%	3.2%	2.8%	3.2%	2.1%	3.2%	3.4%	2.5%	2.8%	2.9%
Other (% impact)		2.4%	1.9%	1.7%	1.4%	1.9%	0.7%	1.4%	-1.9%	-2.7%	0.3%

Based on the above chart and the more detailed information in Attachment C:

- Approximately \$241M or 84% of the total budget increase of \$289M from 2004 to the 2014 request is attributable to salary and benefit increases that have arisen from negotiated and arbitrated collective agreement settlements between the Board and the TPA and SOO. As previously indicated, these significant increases have been and are beyond the control of the Service.
- \$48M or 16% is related to other non-collective agreement increases. Of this total, \$7M or 2% is related to the hiring of sworn and court officers approved by the Board and the City during this time period, due to increases in the number of provincial court rooms.
- The remaining \$41M or 14% is for increases in non-salary accounts, such as caretaking/utilities, information system maintenance contracts, gasoline, telephones, uniforms and vehicle/communication equipment parts. The non-salary percentage increases from 2004 to the 2014 request average less than 0.5% over that period, which is below the average rate of inflation over that same period.

Since 2011, the Service has had one replacement recruit class, deferred civilian hiring where possible in 2013, based on direction from the Board, and has reduced non-salary accounts significantly. For 2014, all sustainable reductions have been incorporated into the Service's recommended budget request. Any continued deferral of hiring in 2014 will have significant operational, legislative, financial and risk management implications, and will impact the Service's ability to provide adequate and effective policing services. Such a reduction is therefore not recommended.

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command will be in attendance to answer any questions from the Board.

Mr. Tony Veneziano, Chief Administrative Officer, delivered a presentation to the Board on the 2014 operating budget request. A copy of the presentation is on file in the Board office.

Following the presentation, Chief Blair and Mr. Veneziano responded to questions by the Board.

Mr. John Sewell, Toronto Police Accountability Coalition, was in attendance and delivered a deputation to the Board. Mr. Sewell also provided a written submission in support of his deputation; copy on file in the Board office.

The Board approved the following Motions:

- 1. THAT the Board receive the presentation and Mr. Sewell's deputation and written submission;**

2. **THAT the Board approve recommendation no. 1 in the foregoing report with an amendment so that it now reads as follows:**

THAT the Board approve the Toronto Police Service's 2014 net operating budget request of \$957.7 Million (M), which is \$29.1M or 3.1% over the 2013 approved budget.

3. **THAT the Board approve recommendation nos. 2, 3, 4 and 5 in the foregoing report.**

Moved by: F. Nunziata

2014 REQUEST - TORONTO POLICE SERVICE								
2014 Request, 2015-2016 Outlook								
	# unif.	# civ.	2014 Request	% chg	2015 Outlook	% chg	2016 Outlook	% chg
Total Approved Establishment	5,604	2,062						
2013 Approved Budget			928,589.7					
					2014 Request: 958,561.2		2015 Outlook: 986,893.0	
Salary Requirements								
A Annual'd impact-last year's separations (180(B), 165(P))			(8,928.8)		2014 sepn: (6,746.2)		2015 sepn: (8,928.8)	
B Annualized impact of last year's replacements (60)			4,176.1		2014 repl: 17,470.2		2015 repl: 9,705.5	
C Savings from current year's separations (165(B))			(9,425.4)		2015 sepn: (9,425.4)		2016 sepn: (9,425.4)	
D Cost of current year's hires (100, 80, 120 +direct entry)			6,807.7		2015 repl: 9,583.8		2016 repl: 3,655.2	
E Annualized impact of previous year's reclassification costs			879.9		7,054.9		4,193.0	
F Part-year current year reclassification costs			2,424.6		1,061.5		5,165.0	
G Leap year			0.0		0.0		1,600.0	
H Paid duty officers' salaries (offset by revenue)			24,667.0		0.0		1,600.0	
I Change in gapping estimate			1,207.8		2,000.0		0.0	
L Net other (chg in retention pay, classifications, etc.)			624.0		300.0		300.0	
			22,432.9	2.42%	21,298.8	2.22%	7,864.5	0.80%
Premium Pay								
B Reinstatement of Board's 2013 budget reduction			700.0		0.0		0.0	
C Net Other			56.0		45,200.0		(45,200.0)	
			756.0	0.08%	45,200.0	4.72%	(45,200.0)	-4.58%
Fringe Benefits								
A Medical / dental / admin changes			184.7		1,075.1		1,134.7	
B Retiree benefits			(402.5)		(45.6)		(85.6)	
C Benefit costs funded from Reserve (offset by draws)			227.0		1.4		1.5	
D EHT, EI, CPP, OMERS - estimated rates for budgeted salaries			425.4		4,520.3		823.0	
G WSIB Medical, Pension, Admin			82.2		214.9		233.3	
H Net Other			15.3		71.5		75.7	
			532.1	0.06%	5,837.6	0.61%	2,182.6	0.22%
Contributions to Reserve								
A Increased contribution to Health Care Spending Account			100.0		100.0		100.0	
B Increased contribution to Sick Pay Gratuity			2,000.0		2,000.0		2,500.0	
C Reinstatement + planned growth - Vehicle/Equip			6,000.0		1,000.0		1,000.0	
			8,100.0	0.87%	3,100.0	0.32%	3,600.0	0.36%
Other Expenditures								
A Caretaking / maintenance / utilities (facilities)			(1,270.5)		70.6		72.7	
B Uniform cleaning contract			(136.5)		52.2		52.2	
C Telephone / data lines			55.1		469.0		(325.0)	
D Uniforms			165.9		100.0		150.0	
E Vehicles - prep, parts, tires			(115.8)		271.6		75.2	
F Computer maintenance			557.5		200.0		500.0	
J Courses and seminars			194.7		0.0		0.0	
K Gasoline			772.4		359.3		377.3	
L Legal costs			178.0		0.0		0.0	
M Other equipment			281.9		0.0		0.0	
N Operating impact from capital			719.6		1,634.0		357.0	
O Recruit hiring costs			1,863.3		0.0		0.0	
P Savings from TRP (delayed from 2014)			0.0		(469.0)		(325.0)	
Q Communication parts / radio, pager rentals			(88.0)		0.0		(120.0)	
Z Net other			(92.8)		50.7		(6.3)	
			3,084.8	0.33%	2,738.4	0.29%	808.1	0.08%
Revenues								
B Loss of prisoner return recovery			1,372.5		527.5		0.0	
C Changes in other grant funding			(1,214.3)		0.0		0.0	
D Provincial funding for court services			(6,292.3)		(6,292.3)		(6,292.3)	
E Changes in secondment revenue			(250.0)		0.0		0.0	
F Changes in paid duty revenues			(24,667.0)		0.0		0.0	
G Changes in other recoveries			(161.4)		0.0		0.0	
H Changes to reserve draws (offsetting to benefit exp)			(327.0)		0.0		0.0	
I Changes in other fees			(85.5)		0.0		0.0	
J Changes in Interdepartmental Recoveries			(199.6)		0.0		0.0	
M Recovery from PanAm 2015			(1,613.2)		(45,200.0)		46,813.2	
			(33,437.8)	-3.60%	(50,964.8)	-5.32%	40,520.9	4.11%
Other Items								
Right-number Review Establishment (impact on staffing tbd)			0.0		tbd		tbd	
X Impact of Chief's Internal Organizational Review	-108	106	1,123.2		1,121.8		363.2	
Y New staffing requirement - CYAC Intake Coordinator		1	51.5		0.0		0.0	
			1,174.7	0.13%	1,121.8	0.12%	363.2	0.04%
BUDGET INCREASE (DECREASE):	(108)	107	2,642.7	0.28%	28,331.8	2.96%	10,139.3	1.03%
TOTAL BUDGET REQUEST	5,496	2,169	931,232.4		986,893.0		997,032.3	
Estimated salary settlement impact			27,328.8	2.94%				
TOTAL BUDGET REQUEST, including salary settlement	5,496	2,169	958,561.2	3.23%	986,893.0	2.96%	997,032.3	1.03%

Grants Tied to Uniform Staffing Levels

The Service receives two (2) grants from the Ministry of Community Safety and Correctional Services that require the Service to maintain uniform staffing at specified levels to maximize grant funding. In previous years, the Service also received funding under the Police Officer Recruitment Fund (PORF); however, funding for this grant ended March 31, 2013.

Community Policing Partnership Grant - 251 positions

- Established in 1998
- Provincial cost-sharing of additional officers across Ontario; Province pays half of salary and benefits, up to \$30,000 per officer
- Officers must be assigned to community policing functions (primary response, foot patrol, bike patrol, school liaison)
- Program indefinite

1,000 Officers - Safer Communities Grant – 250 positions

- Established in 2005
- Provincial cost-sharing of 1,000 additional officers across Ontario; province pays half of salaries and benefits, up to \$35,000 per officer
- Province-wide, half of the officers must be assigned to community policing functions and the other half to target some of 5 key areas established by the province including youth crime, guns and gangs, marijuana grow operations, domestic violence and child pornography
- TPS program allocation to the target areas is as follows:

Category	Allocation
Community Policing	175
Targeted Areas:	
Youth Crime	16
Guns and Gangs	27
Organized Crime (Marijuana Grow Ops)	18
Protecting Children from Internet Luring and Child P.	9
Court Efficiencies	5
Total	250

Officers must be allocated according to the activities outlined in our application for the program. This allocation was approved by the Ministry and forms a part of the Agreement, which indicates that “the Ministry agrees to cost-share 250 police officers of which 175 has been allocated to community policing and 75 to the targeted areas/court efficiencies.” No officers were allocated to two of the categories – Dangerous Offenders and Domestic Violence.

- Program indefinite

Attachment B (continued)

Benchmarks:

The Province has established a benchmark complement of sworn officers for each grant; funding is provided for each officer in excess of the benchmark for the number of officers allocated to the Service under the grant:

Grant	Benchmark		# Officers Funded over Benchmark	Min. # Officers to Maintain Funding	Funding per Officer	Total Annual Grant Funding
CPP	Jun.15, 1998	4,929	251	5,180	\$30,000	\$7,530,000
Safer Communities	Oct. 23, 2003	5,260	250	5,510	\$35,000	\$8,750,000

Toronto Police Service Summary of Year-Over-Year Change - Net Operating Budget (\$Ms)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 Req.	2004- 2014	Avg.
Net Budget	669.7	708.3	744.5	778.4	814.2	846.9	880.4	922.6	927.8	928.6	958.6		
\$ Increase		38.6	36.3	33.8	35.8	32.8	33.4	42.2	5.3	0.8	30.0	288.9	
Total % increase		5.8%	5.1%	4.5%	4.6%	4.0%	3.9%	4.8%	0.6%	0.1%	3.2%	43.1%	
Collective Agreement (\$ impact)		22.7	22.5	21.2	24.7	16.7	27.2	30.2	23.2	25.6	27.3	241.3	24.1
Hiring (\$ Impact)		0.8	5.1	12.6	4.6	1.8	3.5	0.2	-9.4	-10.0	-2.2	7.0	0.7
Other (\$ impact)		15.0	8.8	0.0	6.5	14.2	2.7	11.8	-8.5	-14.8	4.9	40.7	4.1
Collective Agreement (% impact)		3.4%	3.2%	2.8%	3.2%	2.1%	3.2%	3.4%	2.5%	2.8%	2.9%	36.0%	2.9%
Hiring (% Impact)		0.1%	0.7%	1.7%	0.6%	0.2%	0.4%	0.0%	-1.0%	-1.1%	-0.2%	1.0%	0.1%
Other (% impact)		2.1%	1.2%	0.0%	0.8%	1.7%	0.3%	1.3%	-0.9%	-1.6%	0.5%	6.1%	0.5%
Collective Agreement (% of total increase)		58.8%	62.0%	62.6%	68.9%	51.0%	81.4%	71.6%	437.7%	3200.0%	91.1%	83.5%	
Hiring (% of total increase)		2.2%	13.9%	37.1%	12.8%	5.6%	10.5%	0.4%	-177.4%	-1250.0%	-7.3%	2.4%	
Other (% of total increase)		39.0%	24.2%	0.1%	18.2%	43.4%	8.2%	28.0%	-160.4%	-1850.0%	16.3%	14.1%	

Note: For comparison purposes, the 2004 to 2012 Net Budgets have been restated to reflect the recovery of the Lifeguard and Crossing Guard Programs