



# 2014 OPERATING BUDGET TORONTO POLICE SERVICE

Presentation to  
Toronto Police Services Board  
November 7, 2013

# Development of the 2014 Request

- Guidelines and target provided by the City for the 2014 year;
- Chief of Police guidelines and internal preparation process communicated to all Service units;
- Discussions and reviews with:
  - Board Budget Sub-Committee
  - City Manager and Chief Financial Officer; and
- Initial estimates continued to be updated throughout the process.

**Result: Toronto Police Service 2014 Budget Request**

# What Guides the Service Budget Request?

- The provision of public safety services in partnership with the community and other stakeholders
- Service objectives under “Adequacy Standards” of Police Services Act:
  - Crime Prevention
  - Law Enforcement
  - Assistance to Victims of Crime
  - Public Order Maintenance
  - Emergency Response Services
  - Administration and Infrastructure

# Board Priorities

The Service and Board priorities determine where resources and activities are focused. The priorities are:

- Focusing on Child and Youth Safety
- Focusing on Violence Against Women
- Focusing on People with Distinct Needs
- Targeting Violence, Organized Crime & Gangs
- Delivering Inclusive Police Services
- Focusing on Service Delivery
- Addressing Community Safety Needs
- Ensuring Pedestrian & Traffic Safety
- Focusing on Police Interaction with Individuals Experiencing Mental Illness



# Objectives of the 2014 Budget

---

- Resume hiring of uniform officers;
- Hire civilian members to support front-line and reduce administrative risk;
- Meet our obligations for equipment and facilities through adequate funding of reserves;
- Support technology utilized by the front-line and investigative units in provision of services; and
- Continuous improvement through the Chief's Internal Organizational Review (CIOR) initiatives.

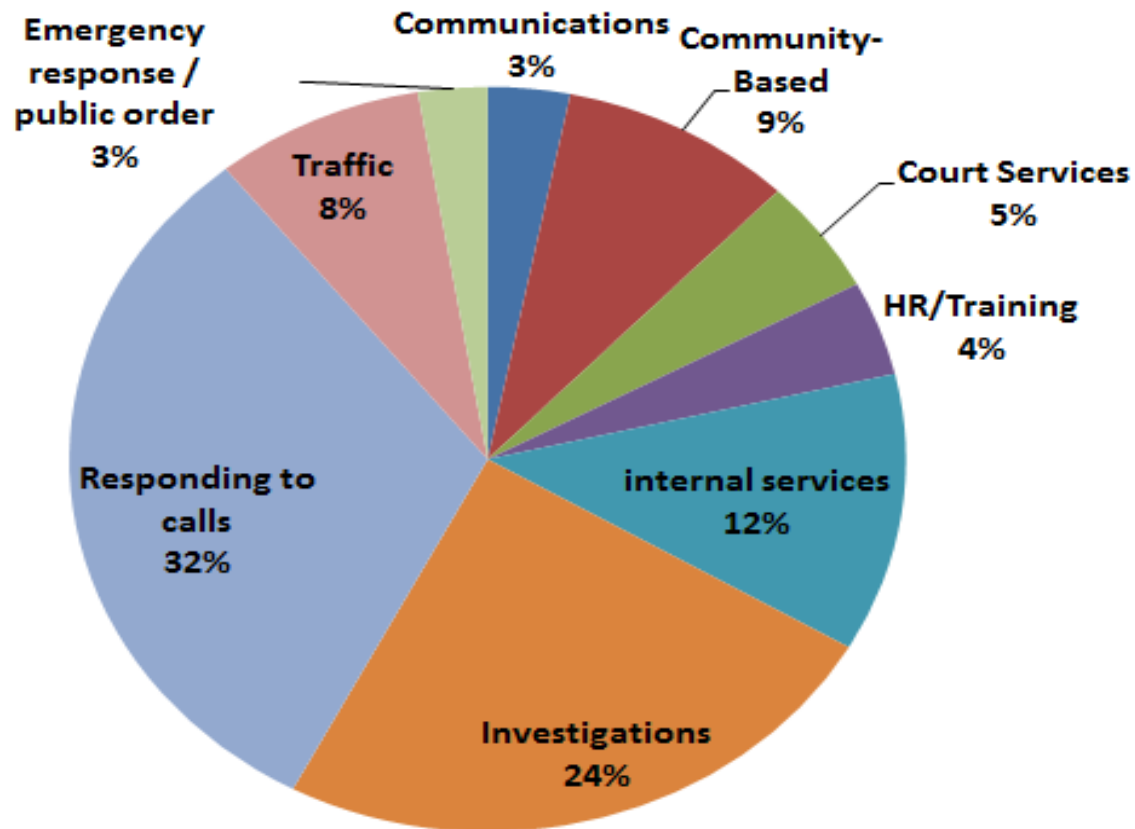


**In order to...**

---

**Maintain and enhance public  
safety to ensure Toronto  
remains one of the safest cities  
in North America**

# How Does the Service use the Taxpayer's Investment in Public Safety



# What Has Been Achieved?

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

A safe city is one of the key factors in terms of where people want to live, work and play, and where businesses want to invest.



# Toronto Police Service Overall Summary (\$000s)

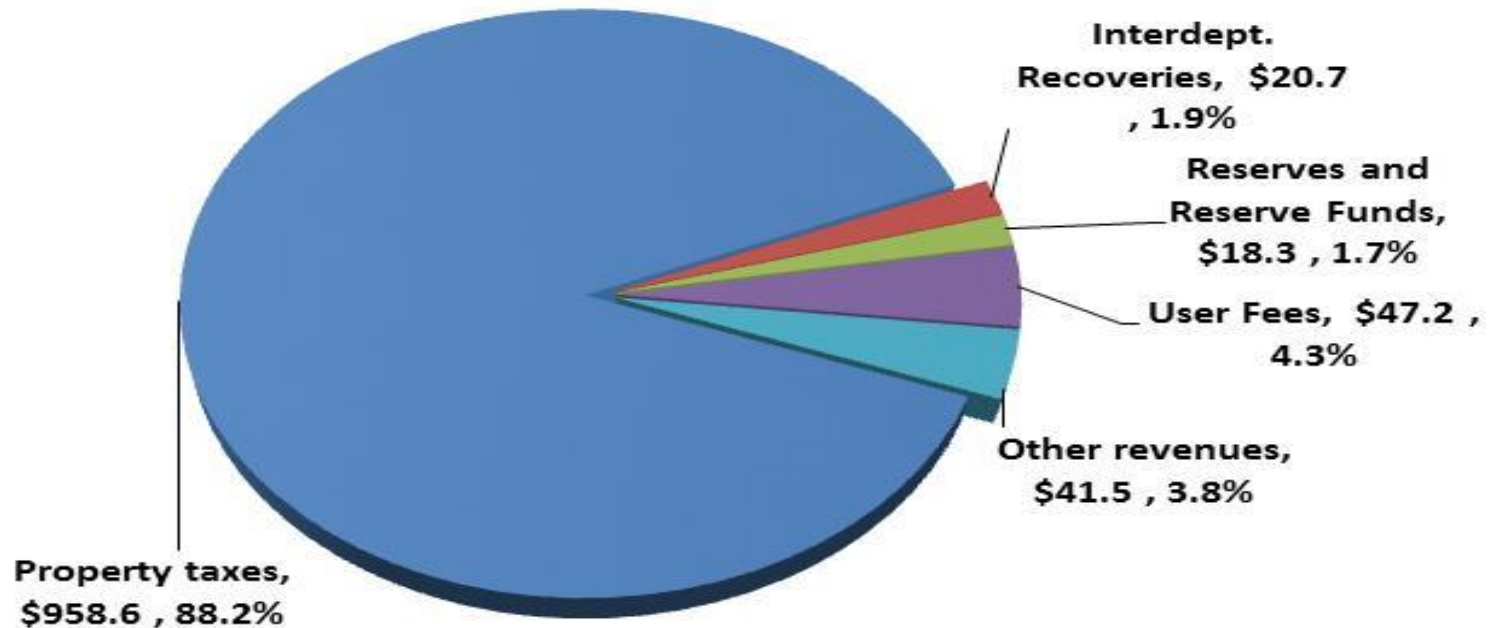
	\$Ms	\$ change over 2013 Request	% change over 2013 Request
2013 Net Budget	928.6		
Impact of 2014 Salary Settlement		\$27.3	2.94%
Net impact of salary costs		\$23.6	2.54%
Reserve Contributions		\$8.1	0.87%
Other Expenditures		\$4.4	0.47%
<b>2014 Gross Budget Increase</b>		<b>\$63.4</b>	6.83%
Revenues		-\$33.4	-3.60%
2014 Budget Request	958.6		
<b>2014 Net Budget Increase</b>		<b>\$30.0</b>	<b>3.23%</b>

# How much of this increase is within the Service's Control?

- Net budget increase over 2013: \$30.0M
- Salary settlement for 2014 \$27.3M
  
- What does that mean?

The Service has contained other increases to \$2.6M or 0.3%, which is well below the rate of inflation

# 2014 Operating Budget – Sources of Funding



# Uniform Staffing

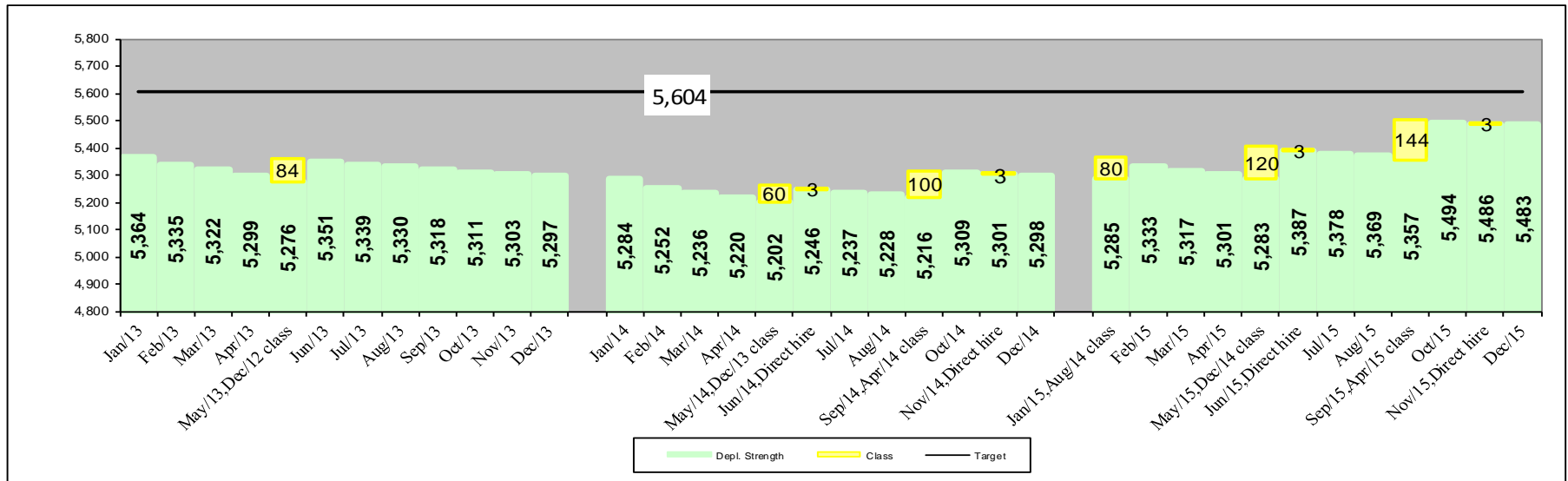
- Authorized strength is 5,604
  - includes 30 TAVIS partially-funded School Resource Officers
- Uniform Hiring resumed:
  - Class of 60 for December 2013
  - 100 for April, 80 for August and 120 for December 2014
  - 6 Direct hires
- Estimated 165 separations
- On average, below current approved establishment of 5,604 by 338 officers in 2014 (5,266 average)
  - 2014 year-end deployment projected to equal 2013 year-end deployment

# Uniform Deployment Strategy

2013 (Target 5,604; 277 below, on avg)

2014 (Target 5,604; 338 below, on avg)

2015 (Target 5,604; 202 below, on avg)



Jun/13 direct hires: 0  
 Apr/13 class: 0  
 Aug/13 class: 0  
 Nov/13 direct hires: 0  
 Dec/13 class: 60

Apr/14 class: 100  
 Jun/14 direct hires: 3  
 Aug/14 class: 80  
 Nov/14 direct hires: 3  
 Dec/14 class: 120  
 306

Apr/15 class: 144  
 Jun/15 direct hires: 3  
 Aug/15 class: 124  
 Nov/15 direct hires: 3  
 Dec/15 class: 131  
 405

# Civilian Staffing

- Current establishment is 2,062 (excludes part-time and temporary staff)
- Service will be about 200 below current establishment by year-end 2013
  - Estimated 85 separations in 2014
- Civilian staffing replacement with six-month salary gap
  - Communication Operators and Court Officers backfilled at 100%
  - Resumption of civilian hiring at rate that would keep pace with separations

## The civilian staffing strategy will:

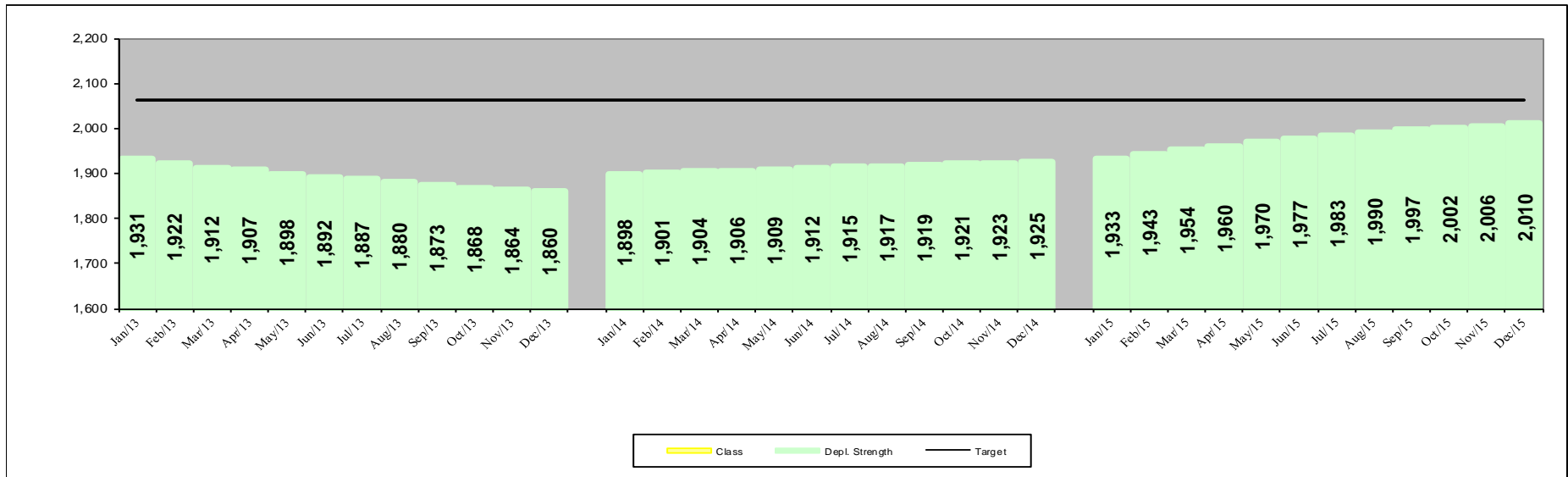
- **allow the Service to catch up on existing separations; and**
- **enable the identification and moving forward on continuous improvement initiatives**

# Civilian Deployment Strategy

2013 (Target 2,062; 171 below, on avg)  
Average deployed = 1,891

2014 (Target 2,062; 150 below, on avg)  
Average deployed = 1,913

2015 (Target 2,062; 85 below, on avg)  
Average deployed = 1,977



	2013	2014	2015
Net Vacancies Start of Year	(124)	(202)	(137)
Hires	7	150	170
Projected Separations	(85)	(85)	(85)
Net Projected Vacancies End of Year	(202)	(137)	(52)

# Chief's Internal Organizational Review (CIOR) Initiatives (1)

**Objective: To identify and implement initiatives that will allow the Service to provide sustainable, effective, efficient and more economical services**

- Civilianization initiatives (-uniform / +civilian)
  - Divisional prisoner management (-85/+85)
  - Forensic identification (-4/+4)
  - Scenes of Crimes Officers (-10/+10)
  - Civilianization of school crossing guard program (-14/+11)
    - (Note: Deferred, pending further discussions with City)
- 2014 budget includes \$1.1M impact; however, annualized savings of \$2.3M will be ultimately realized



# Chief's Internal Organizational Review (CIOR) Initiatives (2)

- Other initiatives with funding allocated in 2014:
  - Use of CopLogic for shoplifting calls for service – diversion from calls to on-line reporting;
  - Outsourcing of employment background checks
- Use of technology to enable officer deployment, streamline processes and reduce costs:
  - Use of cameras for traffic safety;
  - Automated number-plate recognition;
  - Duty Operations Centre for 24/7 monitoring of police operations

# Salaries (including premium pay)

<b>Breakdown</b>	<b>Change \$Ms</b>
- 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
- Reinstatement of Board's 2013 budget reduction	\$0.7
- Net Other Changes (e.g., in-year job reclassifications, chg in leaves, etc.)	<u>\$0.5</u>
<b>Total Salaries including Premium Pay Net Impact</b>	<b>\$23.1</b>

# Fringe Benefits

<b>Breakdown</b>	<b>Change SMs</b>
Medical / dental / admin changes	\$0.2
Retiree benefits	-\$0.4
Benefit costs funded from Reserve (offset by draws)	\$0.2
EHT, EI, CPP, OMERS - estimated rates for budgeted salaries	\$0.4
WSIB Medical, Pension, Admin	\$0.1
<b>Total Benefit Net Impact</b>	<b>\$0.5</b>

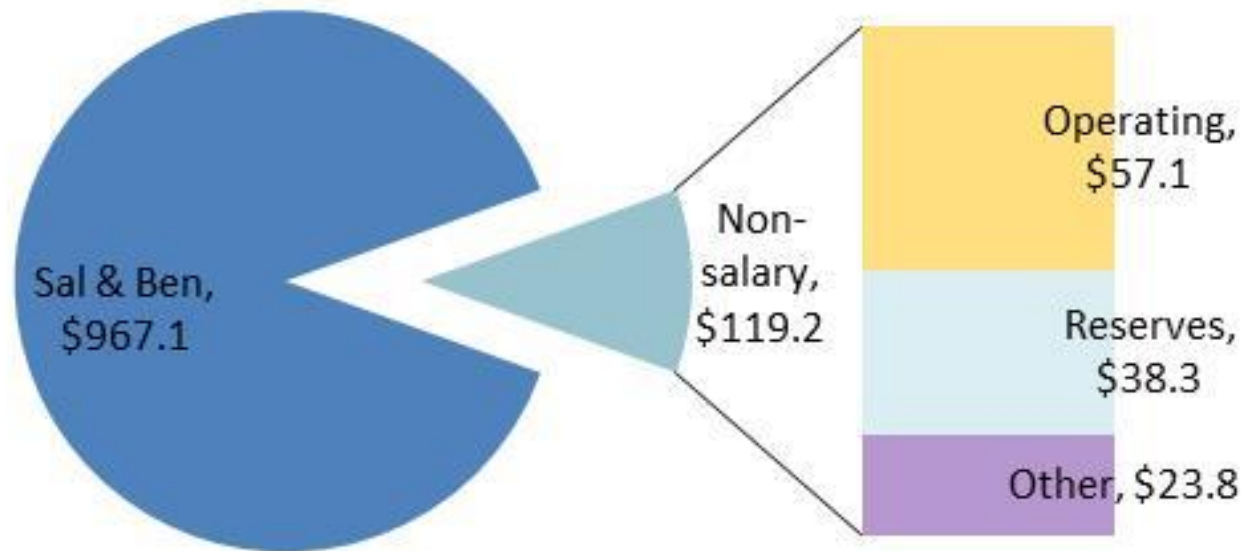
# Operating Expenses

<b>Breakdown</b>	<b>Change SMs</b>
Recruit hiring costs	\$1.8
Gasoline	\$0.8
Operating impact from capital	\$0.7
Computer maintenance	\$0.6
Caretaking / maintenance / utilities (facilities)	-\$1.3
Net Other Changes	\$0.5
<b>Total Other Expenditure Net Impact</b>	<b>\$3.1</b>

# Reserves

<b>Breakdown</b>	<b>Change SMs</b>
Reinstatement & planned growth - Vehicle/Equip	\$6.0
Increased contribution to Sick Pay Gratuity	\$2.0
Increased contribution to Health Care Spending Account	\$0.1
<b>Total Reserve Net Impact</b>	<b>\$8.1</b>

# Non-salary component - \$119.2M (11%)



# Revenues

<b>Breakdown</b>	<b>Change SMs</b>
Paid Duty Officer Salaries	-\$24.7
Provincial funding for court services	-\$6.3
Recovery from PanAm 2015	-\$1.6
Prisoner Return recoveries	\$1.4
Grants	-\$1.2
Net Other Changes	-\$1.0
<b>Total Revenue Net Impact</b>	<b>-\$33.4</b>

# What is the City Target?

- The target from the City Manager is \$955.9M
  - Represents a budget increase of \$27.3M
  - Equal to estimated 2014 salary settlement of 2.94%



# Actions Taken To Reduce Budget

For the 2014 year:

- Reduced premium pay increase request by \$0.7M;
- Maintained non-salary cost increases as low as possible;
- Reduction of City Facilities chargeback (caretaking and utilities);
- Increase to contribution to Sick Pay Gratuity Reserve phased in; and
- Continued fine-tuning of estimates based on analysis of past experience, trends and new information.

# Ongoing Actions Taken To Reduce Budget

For long term sustainability:

- Continuing to promote “value for money” – we can always do better;
- Partnering with vendors/suppliers to provide the best possible price;
- New Organizational Structure – February 2014
- Continued CIOR efficiency and process improvement reviews; and
- Collaborating with the City of Toronto and other City ABCs – shared services and joint procurement opportunities for best price/savings.

# How Do We Compare to City Target?

■ City Target	\$ 955.9M
■ The 2014 TPS budget request	\$ 958.6M
Dollars (\$) over the target (rounded)	\$ <b>2.7M</b>
Percentage (%) over the target	<b>0.28%</b>

# Summary of Year-Over-Year Change Net Operating Budget (\$M)

	2008	2009	2010	2011	2012	2013	2014 Req.
Net Budget	814.2	846.9	880.4	922.6	927.8	928.6	958.6
\$ Increase	35.8	32.8	33.4	42.2	5.3	0.8	30.0
Total % increase	4.6%	4.0%	3.9%	4.8%	0.6%	0.1%	3.2%
Collective Agreement (% impact)	3.2%	2.1%	3.2%	3.4%	2.5%	2.8%	2.9%
Other (% impact)	1.4%	1.9%	0.7%	1.4%	-1.9%	-2.7%	0.3%



# 2015 and 2016 Outlooks

---

- No contract settlement in place for 2015 or 2016
- 2015: 2.96% increase – excluding impact of salary settlement
- 2016: 1% increase – excluding impact of salary settlement

# Next Steps

- City requires budget to be approved by Service Board prior to budget launch
- Budget process is still on-going
- Service has and will continue working with the Board and the City to identify potential further reductions, as well as refining request based on more up-to-date information
- City Budget Committee launch planned for late November 2013
- City Council scheduled to consider full City budget in January 2014

# In conclusion...

- Increase of \$2.6M or 0.3% above target of 2.94%
  - Allows Service to maintain uniform strength at a level equal to that at 2013 year-end;
  - Resets Vehicle and Equipment Reserve contributions at required levels and increases sustainable funding of Sick Pay Gratuity Reserve;
  - Reflects implementation of select CIOR initiatives;
  - Contains no arbitrary reductions or increases.
- Fiscally responsible and sustainable budget that allows provision of adequate and effective policing, as required under PSA
- Enables us to work with the Board, the City, our community partners and other key stakeholders... to keep Toronto one of the safest livable cities in North America

