



Toronto 2015 BUDGET

OPERATING ANALYST NOTES



Toronto Police Services Board

2015 OPERATING BUDGET OVERVIEW

Toronto Police Services Board is responsible, under the *Police Services Act*, for ensuring the provision of adequate and effective police Services in the City of Toronto.

2015 Budget Highlights

The total cost to deliver this service to Toronto residents in 2015 is \$2.316 million net as shown below.

(in \$000's)	2014 Approved	2015 Rec'd	Change	
	Budget	Budget	\$	%
Gross Expenditures	3,158.2	3,065.8	(92.4)	(2.9%)
Gross Revenues	800.0	750.0	(50.0)	(6.3%)
Net Expenditures	2,358.2	2,315.8	(42.4)	(1.8%)

The 2015 Recommended Operating Budget includes additional funding of \$0.032 million to redesign and upgrade the Board's website and \$0.250 million to secure an external consultant to determine what type of data should be collected, the retention period and the scope of the data required as a result of the Board's approval of the Community Contacts Policy.

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Fast Facts

- The Toronto Police Services Board is a seven member civilian body that oversees the Toronto Police Service.
- In Toronto, civilian governance of the police dates back to January 1, 1957, when the police departments from the original thirteen municipalities in the Toronto area amalgamated to establish Metropolitan Toronto Police.
- The *Police Services Act* establishes the number of Board members in direct relation to the population of the area it represents.
- The *Police Services Act* also sets out who will be members of the Board. In Toronto, it states that three members will be appointed by the provincial government; one member will be the Mayor of Toronto (or designate); two members will be City of Toronto Councillors and one member will be a citizen selected by the City of Toronto Council.
- The Toronto Police Services Board is the only Board in Ontario to be headed by a full time Chair.

Our Service Deliverables for 2015

The primary role of the Toronto Police Services Board is to establish, after consultation with the Chief of Police, overall objectives and priorities for the provision of police services. The 2015 Operating Budget will enable the Board to:

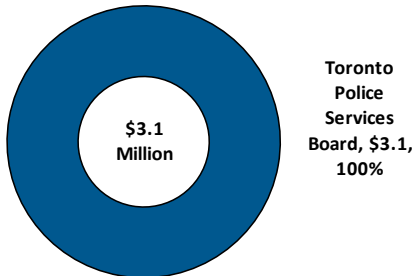
- Continue to deliver service objectives outlined in the 2014 - 2016 Business Plan in order to provide adequate and effective police service.
- Continue to provide governance and civilian oversight and to monitor achievements of the Toronto Police Service.
- Upgrade the Board's website to ensure that it complies with Accessibility for Ontarians with Disabilities (AODA) standards.
- Secure an external consultant to determine what type of data should be collected, the retention period and the scope of the data required as a result of the Board's approval of the Community Contacts Policy.

2015 Operating Budget Expenses & Funding

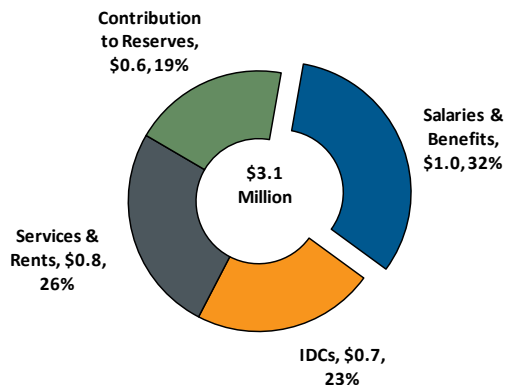
Our Key Challenges & Priority Actions

Where the money goes:

2015 Budget by Service
\$3.066 Million

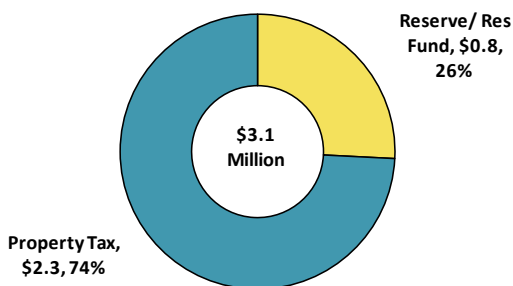


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



Outdated Website Platform - The Board's website is built on a platform that is 8 years old and does not support the features necessary for timely information-sharing and communication.

- ✓ The 2015 Recommended Operating Budget includes funding of \$0.032 million to enable the Board to issue a Request for Quotations (RFQ) for assistance in upgrading its website, as well as ensure that it complies with Accessibility for Ontarians with Disabilities (AODA) standards.

Data Collection for Community Contacts Policy - The Board adopted a policy governing police community contacts which ensures that there is a proactive rights-based approach to the way in which members of the TPS interact with members of the public. However, there is a lot of uncertainty around what information should be collected during TPS's interactions with members of the public.

- ✓ The 2015 Recommended Operating Budget includes \$0.250 million gross and \$0 net to secure an external consultant or evaluator to determine what type of data should be collected, the retention period and the scope of the data required as a result of the Board's approval of the Community Contacts Policy.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Operating Budget for Toronto Police Services Board of \$3.066 million gross, \$2.316 million net for the following service:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Toronto Police Services Board	3,065.8	2,315.8
Total Program Budget	3,065.8	2,315.8

2. City Council approve the Toronto Police Services Board's staff complement of 7 positions.

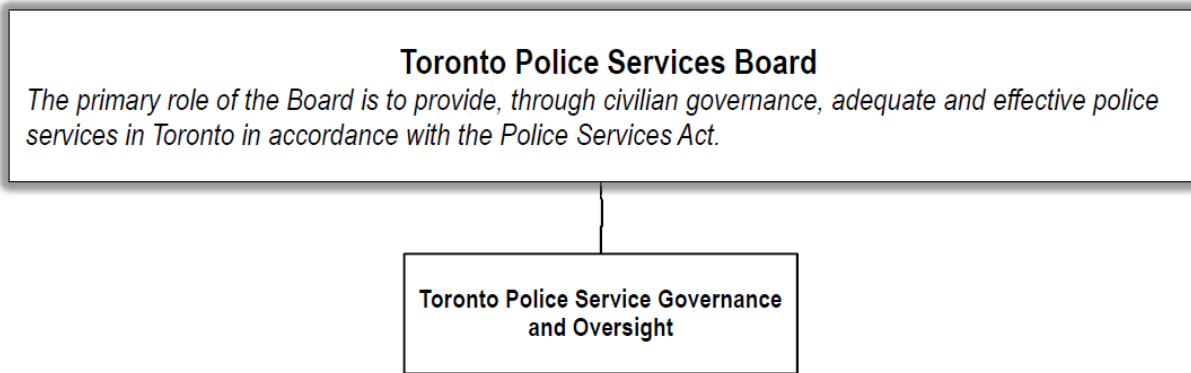


Part I:

2015 – 2017

Service Overview and
Plan

Program Map



Purpose:
To ensure the provision of adequate and effective police services in accordance with community needs and expectations, through policy development, compliance monitoring with Board Policy and directions and priority setting, through stakeholder consultations and communications and consultation with the Chief of Police as required by the Police Services Act.

What We Do

- The primary role of the Board is to establish, after consultation with the Chief of Police, overall objectives and priorities for the provision of police services. The Chief of Police is responsible for administering the police service and overseeing its operation in accordance with the objectives, priorities and policies established by the Board.
- Distinguishing an "operational" matter that falls outside the Board's jurisdiction from general management and policy matters that fall within the Board's jurisdiction lies at the heart of the relationship between the Board and the Service. Section 31(4) of the *Police Services Act* is intended to prevent direct Board interference in the actual policing function but not to prevent the Board from making decisions governing the structure and environment in which those policing functions occur.
- The Chief is authorized to make all operational decisions which are consistent with the governing law and Board policy. The Board, by revising its policies, may alter the scope of the Chief's responsibilities.
- The Chief of Police reports to the Board as a whole and is not accountable to any one or group of Board members. The Board has the authority to give orders and direction to the Chief of Police, but not to other members of the Service. The Board shall not direct the Chief with respect to specific operational decisions or with respect to day-to-day operations of the Service.
- The Toronto Police Services Board is also responsible for business planning and carrying out monthly public Board meetings.

2015 Service Deliverables

The 2015 Recommended Operating Budget of \$3.066 million gross and \$2.316 million net for Toronto Police Services Board will provide funding to:

- Continue to deliver service objectives outlined in the 2014 - 2016 Business Plan in order to provide adequate and effective police service.
- Continue to provide governance and civilian oversight and to monitor achievements of the Toronto Police Service.
- Upgrade the Board's website to ensure that it complies with Accessibility for Ontarians with Disabilities (AODA) standards.
- Secure an external consultant to determine what type of data should be collected, the retention period and the scope of the data required as a result of the Board's approval of the Community Contacts Policy.

Table 1
2015 Recommended Operating Budget and Plan

	2014		2015 Recommended Operating Budget				2015 Rec'd Budget vs. 2014 Budget		Incremental Change			
	Approved Budget	Projected Actual	2015 Rec'd Base	Rec'd New/Enhanced	2015 Rec'd Budget			2016 Plan		2017 Plan		
(In \$000s)	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%	
Toronto Police Services Board												
Gross Expenditures	3,158.2	3,090.3	2,783.8	282.0	3,065.8	(92.4)	(2.9%)	(282.0)	(9.2%)			
Revenue	800.0	800.0	500.0	250.0	750.0	(50.0)	(6.3%)	(250.0)	(33.3%)			
Net Expenditures	2,358.2	2,290.3	2,283.8	32.0	2,315.8	(42.4)	(1.8%)	(32.0)	(1.4%)			
Approved Positions	8.0	7.0	7.0		7.0	(1.0)	(12.5%)					

The 2015 Recommended Operating Budget for Toronto Police Services Board of \$3.066 million gross and \$2.316 million net is \$0.042 million or 1.8% below the 2014 Approved Budget of \$2.358 million net and the budget target of 0% increase.

- Compensation of Board's staff follows the Toronto Police Senior Officer Organization (SOO) patterns. However, there is no agreement in place for the SOO which expired on December 31, 2014. Therefore, following the usual practice, no funding is included in the 2015 Recommended Operating Budget and the City will make an estimated provision in its corporate accounts until a settlement is reached.
- The 2015 Recommended Operating Budget does not include any service changes.
- The 2015 Recommended Operating Budget includes two New & Enhanced initiatives to redesign and upgrade the Board's website and secure a consultant to determine the scope of the Community Contacts' data collection and analysis.
- Approval of the 2015 Recommended Operating Budget will decrease the Toronto Police Services Board's approved staff complement by one permanent position as highlighted in the table below.

Table 2
2015 Recommended Total Staff Complement

Changes	2015 Budget	Plan	
		2016	2017
Opening Complement	8.0	7.0	7.0
In-year Adjustments			
Adjusted 2014 Staff Complement	8.0	7.0	7.0
Recommended Change in Staff Complement			
Prior Year Impact			
Operating Impacts of Completed Capital Project			
Capital Project Delivery			
Base Changes	(1.0)		
Service Changes			
New / Enhanced Service Priorities			
Total	7.0	7.0	7.0
% Change over prior year	(12.5%)		

The Program's total staff complement will decrease by 12.5% or 1 permanent position as a result of eliminating one permanent chauffer position as of January 27, 2014.

The 2015 Recommended Operating Budget reflects base expenditure reduction of \$0.374 million gross and \$0.074 million net as outlined in the table below.

Table 3
Key Cost Drivers

(In \$000s)	2015 Recommended Operating Budget		
	Gross	Net	Positions +/-
Gross Expenditure Changes			
Prior Year Impacts			
Reversal of One-time Consulting Costs	(300.0)		
Operating Impacts of Capital			
N/A			
Economic Factors			
N/A			
COLA and Progression Pay			
N/A			
Other Base Changes			
Eliminating 1 Chauffer Position	(77.9)	(77.9)	(1.0)
Conference Expenses	3.5	3.5	
Total Gross Expenditure Changes	(374.4)	(74.4)	(1.0)
Revenue Changes			
N/A			
Total Revenue Changes			
Net Expenditure Changes	(374.4)	(74.4)	(1.0)

The Toronto Police Services Board's 2015 Recommended Operating Budget is driven by the following key cost drivers:

- The 2015 Recommended Operating Budget includes a reversal of one-time funding of \$0.300 million approved in 2014, funded from the Innovation Reserve Fund, for a review of the results of the Chief's Internal Organizational Review and to identify further measures to ensure delivery of policing services is adequate, effective as well as sustainable.
- Elimination of one permanent chauffer position as of January 27, 2014 resulted in savings of \$0.078 million.
- The 2015 Recommended Operating Budget includes additional funding of \$0.004 million for conference expenses to ensure there are sufficient funds for Board members' attendance at the Ontario Association of Police Services Boards' (OAPSB) conference and the Canadian Association of Police Governance's (CAPG) conference.

Table 4

2015 Total Recommended New & Enhanced Service Priorities Summary

Description (\$000s)	New and Enhanced			Incremental Change			
	\$'s		Position	2016 Plan		2017 Plan	
	Gross	Net	#	Gross	Net	Gross	Net
Enhanced Services Priorities							
Website Redesign and Upgrade	32.0	32.0		(32.0)	(32.0)		
Sub-Total	32.0	32.0		(32.0)	(32.0)		
New Service Priorities							
Data Collection & Analysis - Community Contacts	250.0			(250.0)			
Sub-Total	250.0			(250.0)			
Total	282.0	32.0		(282.0)	(32.0)		

Recommended Enhanced Service Priorities (\$0.032 million gross and net)

- The 2015 Recommended Operating Budget includes \$0.032 million gross and net of one-time funding to enable the Board to issue a Request for Quotations (RFQ) for assistance in upgrading the Board's website.
- The current website is built on a platform that is 8 years old and which does not support the features necessary to enhance the Board's objective of timely information-sharing with the community nor does it adequately provide features to support the information-sharing or communication needs of individual Board members.
- In addition, this funding will ensure that the website complies with Accessibility for Ontarians with Disabilities (AODA) standards.

Recommended New Service Priorities (\$0.250 million gross and \$0 net)

- The 2015 Recommended Operating Budget provides \$0.250 million gross and \$0 net to secure an external consultant or evaluator to determine what type of data should be collected, the retention period and the scope of the data required as a result of the Board's approval of the Community Contacts Policy.
- Funding for this new initiative will be provided from the Innovation Reserve Fund (XR1713), resulting in a \$0 net impact to the Program.

Table 5
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Reversal of One-Time Funding	(282.0)	(250.0)	(32.0)	(1.4%)						
Sub-Total	(282.0)	(250.0)	(32.0)	(1.4%)						
Anticipated Impacts:										
N/A										
Sub-Total										
Total Incremental Impact	(282.0)	(250.0)	(32.0)	(1.4%)						

Approval of the 2015 Recommended Base Budget for Toronto Police Services Board will result in a 2016 incremental net savings of \$0.032 million to maintain 2015 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts

- Reversal of one-time funding approved in 2015 for the Board's website upgrade and data collection and analysis for Community Contacts policy will result in a reduction of \$0.282 million gross and \$0.032 million net in 2016.
- There is no agreement in place with the Toronto Police Senior Officer Organization (SOO) which expired on December 31, 2014. Therefore, no Cost of Living Adjustments (COLA) estimate has been included in the Future Year Plans.
- Following the usual practice, an estimated provision for 2016 and 2017 compensation changes will be reflected in the corporate accounts until a settlement is reached.

Anticipated Impacts

- In previous years, there was an expectation that additional resources may be required in future years as a result of Justice Morden's recommendations for a substantially expanded and strengthened role for civilian governance of the Toronto Police Services Board, as outlined in the *Independent Civilian Review into Matters Relating to the G20 Summit* report.
- The majority of the recommendations included in the Justice Morden's report have been implemented with existing resources and additional funding is no longer anticipated for future years.



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, Toronto Police Services Board accomplished the following:

- ✓ The Board adopted a policy governing police community contacts. The policy ensures that there is a proactive rights-based approach to the way in which members of the Toronto Police Service interact with members of the public and seeks to improve police-community interactions and community confidence in the Service's ability to provide non-biased policing.
- ✓ The Board adopted a *Protected Disclosure* policy which governs a comprehensive process that encourages and provides access to TPS members to report alleged acts of wrongdoing.
- ✓ The Board established a Community Safety Task Force (CSTF) to look at options to improve overall security and community safety on, and adjacent to, properties owned by Toronto Community Housing Corporation.
- ✓ The Board established a standing joint Sub-Committee on Mental Health in the Workplace comprised of representatives of the Board, the Service, the Senior Officers' Organization and the Toronto Police Association to review the National Standard for Psychological Health and Safety in the Workplace developed by the Canadian Standards Association, and to consider strategies to enhance health and wellness at the Toronto Police Service.
- ✓ The Board adopted a *Board Members Communication and Information - Sharing* policy. This policy arises from Justice Morden's report entitled "Independent Civilian Review into Matters Relating to the G20 Summit" and sets guidelines with respect to sharing of information between Board members.

2014 Financial Performance

2014 Budget Variance Analysis

(\$000s)	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Projected Actuals*	2014 Approved Budget vs. Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	2,994.9	2,768.6	3,158.2	3,090.3	(67.9)	(2.1%)
Revenues	776.5	507.8	800.0	800.0		
Net Expenditures	2,218.4	2,260.8	2,358.2	2,290.3	(67.9)	(2.9%)
Approved Positions	8.0	8.0	8.0	7.0	(1.0)	(12.5%)

* Based on the 9 month Operating Budget Variance Report

2014 Experience

- ✓ The Toronto Police Services Board's third quarter Operating Budget Variance results indicate that the Board expects to be under spent by \$0.068 million or 2.9% of the 2014 Approved Net Operating Budget of \$2.358 million.
- ✓ The projected underspending is due to the elimination of one permanent chauffer position.

Impact of 2014 Operating Variance on the 2015 Recommended Budget

- ✓ The permanent savings and corresponding reduction of 1 position experienced in 2014, are reflected in the 2015 Recommended Operating Budget.

Appendix 2

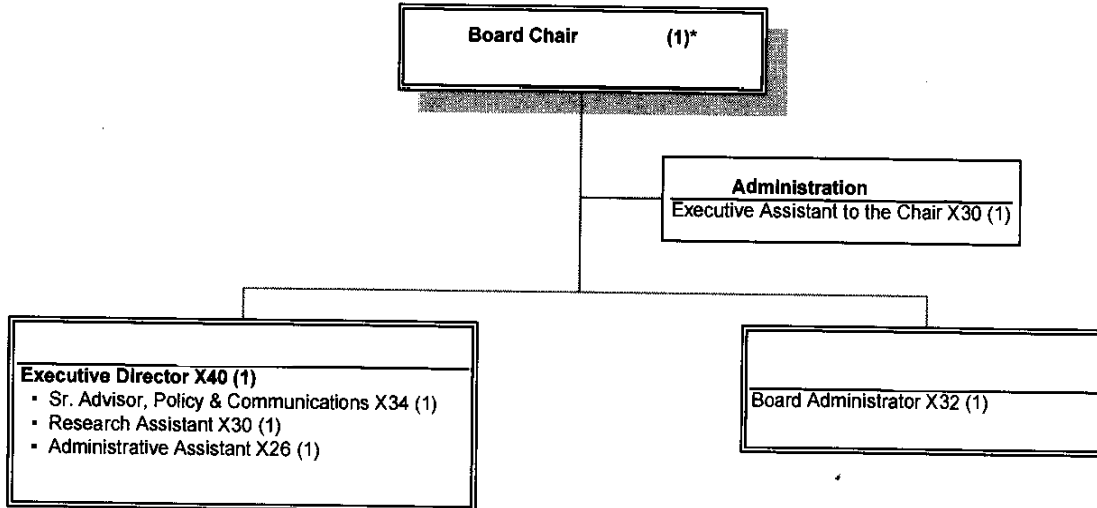
2015 Recommended Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected Actual*	Rec'd Budget	2014 Approved Budget	%	2016	2017
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	961.1	969.6	1,022.1	954.2	969.2	(52.9)	(5.2%)	969.2	969.2
Materials and Supplies	7.9	2.8	7.3	7.3	7.3			7.3	7.3
Equipment									
Services & Rents	616.5	585.1	872.8	872.8	833.3	(39.5)	(4.5%)	551.3	551.3
Contributions to Capital									
Contributions to Reserve/Res Funds	610.6	610.6	610.6	610.6	610.6			610.6	610.6
Other Expenditures									
Interdivisional Charges	798.8	600.4	645.4	645.4	645.4			645.4	645.4
Total Gross Expenditures	2,994.9	2,768.6	3,158.2	3,090.3	3,065.8	(92.4)	(2.9%)	2,783.8	2,783.8
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations									
Transfers from Capital Fund									
Contribution from Reserve Funds	776.5	500.0	800.0	800.0	750.0	(50.0)	(6.3%)	500.0	500.0
Contribution from Reserve									
Sundry Revenues		7.8							
Required Adjustments									
Total Revenues	776.5	507.8	800.0	800.0	750.0	(50.0)	(6.3%)	500.0	500.0
Total Net Expenditures	2,218.4	2,260.8	2,358.2	2,290.3	2,315.8	(42.4)	(1.8%)	2,283.8	2,283.8
Approved Positions	8.0	8.0	8.0	7.0	7.0	(1.0)	(12.5%)	7.0	7.0

* Note: Based on the 9 month Operating Budget Variance Report

Appendix 3 2015 Organization Chart



2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	2.0			5.0	7.0
Temporary					
Total	2.0			5.0	7.0

Appendix 5

Summary of 2015 Recommended New / Enhanced Service Priorities

2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Agencies - Cluster Program: Toronto Police Services Board	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

5397 **Community Contacts - Data Collection**

74 0 **Description:**

The 2015 Recommended Operating Budget includes \$0.250 million gross and \$0 net to secure an external consultant or evaluator to determine data collection requirements for Community Contacts Policy.

Service Level Impact:

An external consultant or evaluator will determine what type of data should be collected, the retention period and the scope of the data required as a result of the Board's approval of the Community Contacts Policy. Funding for this new initiative will be provided from the Innovation Reserve Fund (XR1713), resulting in a \$0 net impact to the Program.

Service: Toronto Police Service Governance & Oversight

Total Staff Recommended:	250.0	250.0	0.0	0.0	0.0	0.0
Staff Recommended New/Enhanced Services:	250.0	250.0	0.0	0.0	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects 74 - New Services
- 72 - Enhanced Services-Service Expansion 75 - New Revenues

2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Agencies - Cluster Program: Toronto Police Services Board	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

5432 **Web Page Redesign and Upgrade**

74 0 **Description:**

The 2015 Recommended Operating Budget includes \$0.032 million gross and net to enable the Board to issue a Request for Quotations (RFQ) for assistance in upgrading the Board's website.

Service Level Impact:

The current website is built on a platform that is 8 years old and which does not support the features necessary to enhance the Board's objective of timely information-sharing with the community nor does it adequately provide features to support the information-sharing or communication needs of individual Board members. In addition, this funding will ensure that the website complies with Accessibility for Ontarians with Disabilities (AODA) standards.

Service: Toronto Police Service Governance & Oversight

Total Staff Recommended:	32.0	0.0	32.0	0.0	(32.0)	0.0
Staff Recommended New/Enhanced Services:	32.0	0.0	32.0	0.0	(32.0)	0.0

Form ID		Agencies - Cluster Program: Toronto Police Services Board	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Summary:

Staff Recommended New/Enhanced Services:	282.0	250.0	32.0	0.0	(32.0)	0.0
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Category:

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		8,420.6	8,420.6	8,531.2	8,641.8
Toronto Police Services Board Legal Liabilities Reserve	XQ1901				
<i>Proposed Withdrawals (-)</i>			(500.0)	(500.0)	(500.0)
<i>Contributions (+)</i>			610.6	610.6	610.6
Total Reserve / Reserve Fund Draws / Contributions		8,420.6	8,531.2	8,641.8	8,752.4
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		8,420.6	8,531.2	8,641.8	8,752.4

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance		3,711.8	3,711.8	2,496.5	2,210.0
Innovation Reserve Fund	XR1713				
<i>Proposed Withdrawals (-)</i>			(250.0)		
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		3,711.8	3,461.8	2,496.5	2,210.0
Other Program / Agency Net Withdrawals & Contributions			(965.3)	(286.5)	(233.7)
Balance at Year-End		3,711.8	2,496.5	2,210.0	1,976.3