



Toronto 2016 BUDGET

OPERATING BUDGET NOTES

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Toronto Police Services Board

2016 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.

2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$3.049 million gross and \$2.299 million net as shown below.

(in \$000's)	2015 Approved		Change	
	Budget	2016 Budget	\$	%
Gross Expenditures	3,115.8	3,049.4	(66.4)	(2.1%)
Gross Revenues	750.0	750.0		
Net Expenditures	2,365.8	2,299.4	(66.4)	(2.8%)

The 2016 Preliminary Operating Budget for the Toronto Police Services Board meets the budget target of a 1% decrease below the 2015 Approved Operating Budget.

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 2016

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 service and fulfilling the mandate established in the *Police Services Act*.

The 2016 Preliminary Operating Budget will enable the Police Services Board to:

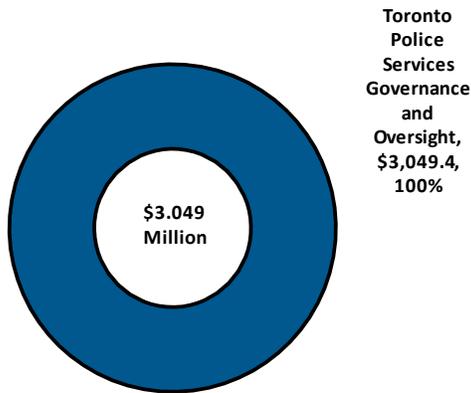
- Develop and approve a 2017-2019 Business Plan.
- Monitor implementation of the Board's Audit Policy.
- Implement a paperless agenda process
- Continue to provide governance and civilian oversight and to monitor achievements of the Toronto Police Service.

2016 Operating Budget Expenses & Funding

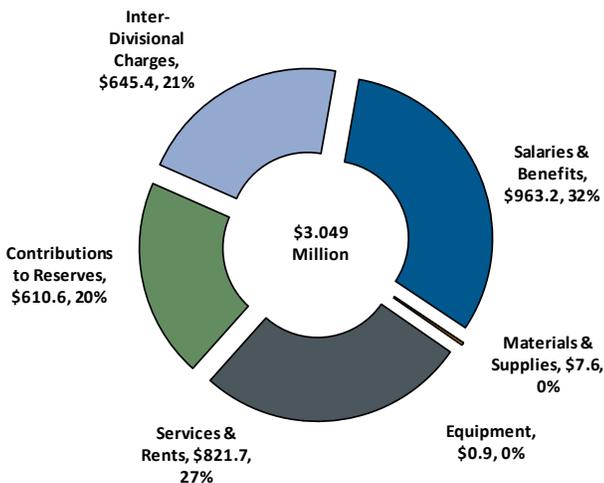
Our Key Issues & Priority Actions

Where the money goes:

2016 Budget by Service

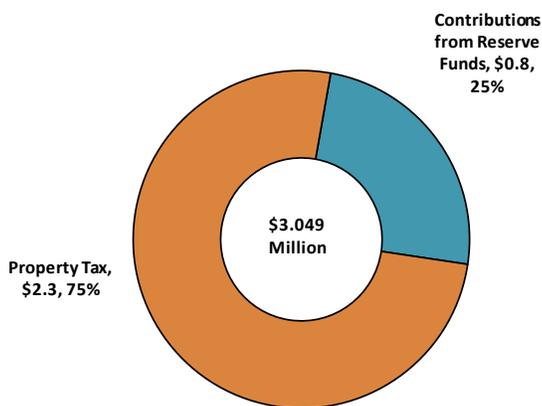


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



- **Anticipated amendments to the Police Services Act.**
 - ✓ Develop policies for the Toronto Police Service to follow legislative changes.
- **Policy implications of Street Checks Regulation made under the Police Services Act.**
 - ✓ Review and direct the changes to be undertaken to implement the new Street Checks Regulation.
 - ✓ Implementation of paperless agenda process

2016 Operating Budget Highlights

- The 2016 Preliminary Operating Budget will enable the Toronto Police Services Board to maintain 2015 service levels and continue the following:
 - ✓ Appoint members of the police service.
 - ✓ Establish policies for management of the police service.
 - ✓ Appoint the Chief and Deputy(s) Chiefs; annually determine their remuneration and working conditions.
 - ✓ Direct the Chief and monitor his performance.
 - ✓ Establish policies respecting the disclosure by chiefs of personal information about individuals.
 - ✓ Receive regular reports from the chief of police on disclosures and decisions made regarding secondary activities.
 - ✓ Establish guidelines regarding legal indemnification and for the administration of the public complaints system.
 - ✓ Review the chief's administration of the complaints system
 - ✓ Negotiate collective agreements.
 - ✓ Approve the capital and operating budgets and submit them to Council.
 - ✓ Fulfill responsibilities under the *Occupational Health and Safety Act*.

Actions for Consideration

Approval of the 2016 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2016 Preliminary Operating Budget for the Toronto Police Services Board of \$3.049 million gross, and \$2.299 million net for the following service:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Toronto Police Service Governance and Oversight	3,049.4	2,299.4
Total Program Budget	<u>3,049.4</u>	<u>2,299.4</u>

2. City Council approve the 2016 Toronto Police Services Board’s total complement of 7.0 positions comprised of 6.0 staff members and 1.0 Chair.



Part I:

2016 – 2018

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 collective bargaining, business planning, forwarding budget estimates to City Council and carrying out its governance and oversight function through monthly public and *in camera* Board meetings.

Table 1
2016 Preliminary Operating Budget and Plan by Service

(In \$000s)	2015		2016 Operating Budget			2016 vs. 2015 Budget Approved Changes		Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual*	2016 Base	2016 New/Enhanced	2016 Budget			2017		2018	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Toronto Police Services Governance and Oversight											
Gross Expenditures	3,115.8	3,115.8	3,049.4		3,049.4	(66.4)	(2.1%)	20.0	0.7%		
Revenue	750.0	750.0	750.0		750.0						
Net Expenditures	2,365.8	2,365.8	2,299.4		2,299.4	(66.4)	(2.8%)	20.0	0.9%		
Total											
Gross Expenditures	3,115.8	3,115.8	3,049.4		3,049.4	(66.4)	(2.1%)	20.0	0.7%		
Revenue	750.0	750.0	750.0		750.0						
Total Net Expenditures	2,365.8	2,365.8	2,299.4		2,299.4	(66.4)	(2.8%)	20.0	0.9%		
Approved Positions	7.0	7.0	7.0		7.0						

* Based on the 2015 9-month Operating Variance Report

The Toronto Police Services Board's 2016 Preliminary Operating Budget is \$3.049 million gross and \$2.299 million net, representing a 2.8% decrease to the 2015 Approved Net Operating Budget and is in line with the reduction target as set out in the 2016 Operating Budget Directions and Guidelines.

- Approval of the 2016 Preliminary Operating Budget will not change the Toronto Police Services Board's staff complement.
- The 2016 Recommended Operating Budget does not include any service changes or new and enhanced service priorities.
- Compensation of the Board's staff follows the Toronto Police Senior Officers' Organization (SOO) patterns. As there is no agreement yet in place for the Toronto Police Senior Officers' Organization (SOO) which expired on December 31, 2014, no funding is included in the 2016 Operating Budget and the City will make an estimated provision in its corporate accounts until a settlement is reached.

Table 2
Key Cost Drivers

(In \$000s)	Operating Budget		2016 Base Budget	
	Toronto Police Services Governance and Oversight		Total	
	\$	Position	\$	Position
Gross Expenditure Changes				
Other Base Changes				
Contracted Services	(66.9)		(66.9)	
Other Increases	0.5		0.5	
Total Gross Expenditure Changes	(66.4)		(66.4)	
Net Expenditure Changes	(66.4)		(66.4)	

Key cost drivers for the Toronto Police Services Board are discussed below:

- Other Base Changes:
 - The Board was able to achieve service efficiency savings through reductions in contracted services (outside legal counsel and consultants).

In order to offset the above net pressures, the 2016 service changes for the Toronto Police Services Board consists of base expenditure savings of \$0.066 million net, and service level changes within the Program's baseline standards of \$2.366 million net, for a total of \$2.299 million net.

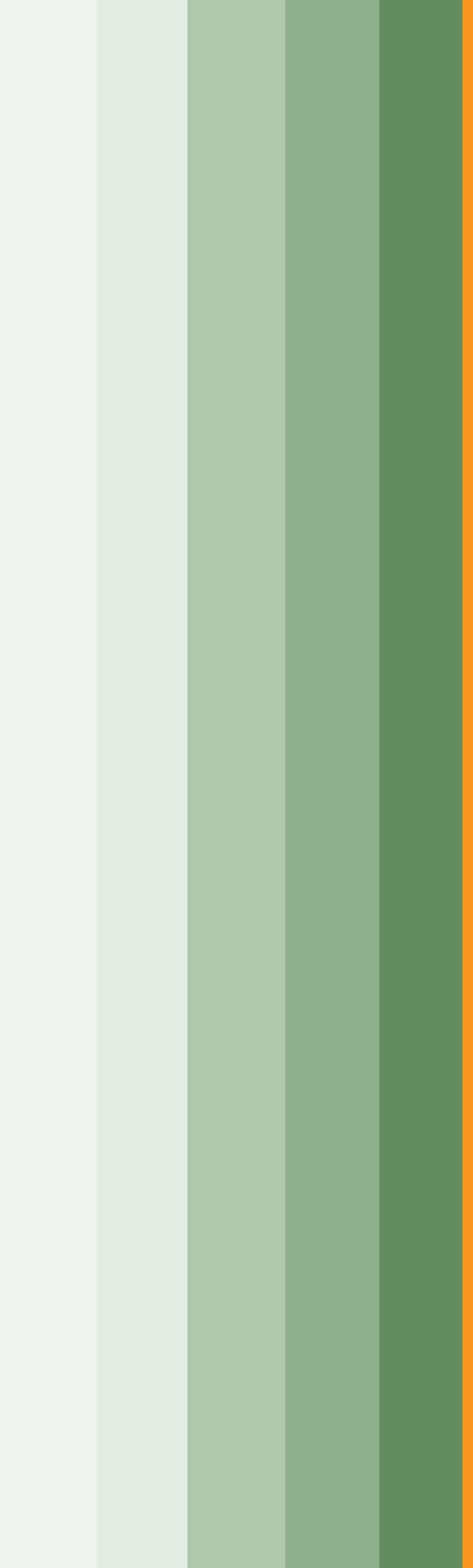
Table 5
2017 and 2018 Plan by Program

Description (\$000s)	2017 - Incremental Increase					2018 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Other (specify)										
Contracted Services	20.0		20.0							
Sub-Total	20.0		20.0	0.9%						
Total Incremental Impact	20.0		20.0	0.9%						

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- The Toronto Police Services Board does not anticipate any incremental costs for 2018.
- 2017 and 2018 plans are subject to change, once the Toronto Police Senior Officers' Organization (SOO) collective agreement is in place.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2016 Budget

One-Time Support from the Innovation Reserve Fund

- The Board's 2015 Operating Budget included one-time funding of \$0.250 million draw from the City's Innovation Reserve Fund for the establishment of a data collection project which was a requirement of the Board's Community Engagement (street checks) Policy.
- In mid-2015, the Province announced that they would be bringing forth a new Regulation to govern street checks. For that reason, implementation of the Board's policy did not proceed, and awaits receipt of the provincial policy in 2016.
- The \$0.250 million of Innovation Reserve Fund funding is re-budgeted in 2016 for three key requirements:
 - Implementation of an application for paperless Board agendas and minutes (\$0.100 million)
 - Implementation of the street check Regulation (\$0.700 million)
 - Communication and financial consulting services to support change initiatives (\$0.800 million)

Issues Impacting Future Year

Business Plan

- It is anticipated that 2016 is a business planning year and that process will also be informed by the following studies:
 - Toronto Police Service: Service Efficiency Study (KPMG) / Final Report to City Manager (Oct.26/11)
 - Chief's Internal Organizational Review (CIOR)
 - KPMG Review – Opportunities for the Future for the Board's Consideration/(December 17, 2015)
- The budget years 2017 – 2019 will reflect the implementation of the new business plan, once approved by the Board.



Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, the Toronto Police Services Board accomplished the following:

- ✓ Concluded a collective agreement with the Toronto Police Association.
- ✓ Initiated collective bargaining with the Senior Officers' Organization.
- ✓ Chief of Police selection.
- ✓ Initiated Deputy Chief of Police selection process.
- ✓ TPSB Website re-design initiated.
- ✓ Receipt of final report from KPMG.
- ✓ Finalized Service Level Agreement with City Audit Services.
- ✓ Received final report on implementation of the Independent Civilian Review into matters relating to the G20 Summit.

Appendix 2

2016 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected Actual *	Budget	2015 Approved Budget	%	2017	2018
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	969.6	920.4	969.2	969.2	963.2	(6.0)	(0.6%)	963.2	963.2
Materials and Supplies	2.8	4.9	7.3	7.3	7.6	0.3	4.1%	7.6	7.6
Equipment					0.9	0.9		0.9	0.9
Services & Rents	585.1	1,059.2	883.3	883.3	821.7	(61.6)	(7.0%)	841.7	841.7
Contributions to Capital									
Contributions to Reserve/Res Funds	610.6	458.0	610.6	610.6	610.6			610.6	610.6
Other Expenditures									
Interdivisional Charges	600.4	559.1	645.4	645.4	645.4			645.4	645.4
Total Gross Expenditures	2,768.5	3,001.6	3,115.8	3,115.8	3,049.4	(66.4)	(2.1%)	3,069.4	3,069.4
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations									
Transfers from Capital Fund									
Contribution from Reserve/Reserve Funds	500.0	690.0	750.0	750.0	750.0			750.0	750.0
Sundry Revenues	7.8	6.0							
Total Revenues	507.8	696.0	750.0	750.0	750.0			750.0	750.0
Total Net Expenditures	2,260.7	2,305.6	2,365.8	2,365.8	2,299.4	(66.4)	(2.8%)	2,319.4	2,319.4
Approved Positions	8.0	7.0	7.0	7.0	7.0			7.0	7.0

* Based on the 2015 9-month Operating Variance Report

For additional information regarding the 2015 Q3 Operating Budget Variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2015" approved by City Council at its meeting on December 9, 2015.

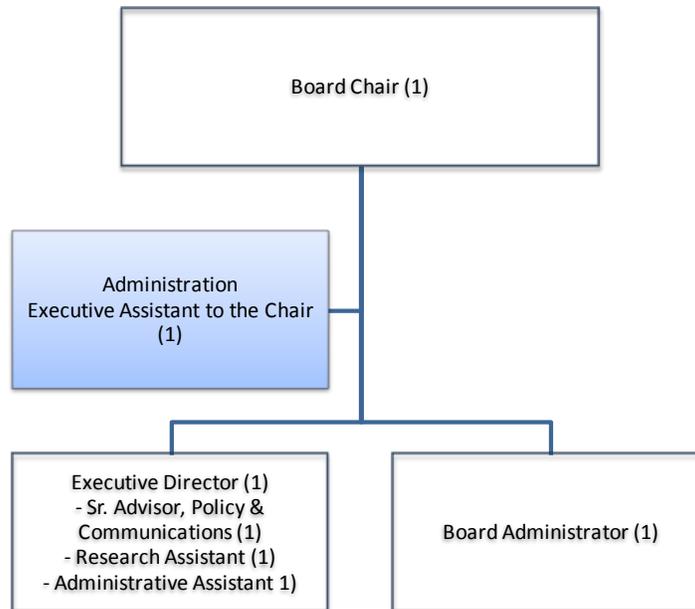
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.27>

Impact of 2015 Operating Variance on the 2016 Budget

The 2015 Operating Variance will have no impact on the 2016 Operating Budget.

Appendix 3

2016 Organization Chart



2016 Complement

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

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance		2,838.5	2,838.5	3,287.0	4,735.5
Toronto Police Service Legal Liabilities Reserve	XQ1901				
<i>Proposed Withdrawals - TPS (-)</i>			(742.1)	(742.1)	(742.1)
<i>Proposed Withdrawals - TPS Board (-)</i>			(500.0)	(500.0)	(500.0)
<i>Contributions - TPS (+)</i>			1,080.0	2,080.0	2,080.0
<i>Contributions - TPS Board (+)</i>			610.6	610.6	610.6
Total Reserve / Reserve Fund Draws / Contributions		2,838.5	3,287.0	4,735.5	6,184.0
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		2,838.5	3,287.0	4,735.5	6,184.0

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance		3,739.3	3,739.3	3,489.3	3,489.3
Innovation Reserve Fund	XR1713				
<i>Proposed Withdrawals (-)</i>			(250.0)	-	-
<i>Contributions (+)</i>			-	-	-
Total Reserve / Reserve Fund Draws / Contributions		3,739.3	3,489.3	3,489.3	3,489.3
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		3,739.3	3,489.3	3,489.3	3,489.3

* Based on 9-month 2015 Reserve Fund Variance Report