Toronto Police Service

2017 Preliminary Operating Budget and
2017 - 2026 Preliminary Capital Budget & Plan

Budget Committee

December 20, 2016
Agenda

- Agency Overview:
  - Agency Services and Resources
- Operating Overview
  - Service Performance
  - Key Issues & Priority Actions
  - 2017 - 2019 Preliminary Operating Budget & Plan
- Capital Overview
  - Capital Performance
  - Key Issues & Priority Actions
  - 2017 – 2026 Preliminary Capital Budget & Plan
Agency Overview
Services Delivered By Agency

- Our mission is community safety
  - We are dedicated to delivering policing services, in partnership with our communities, to keep Toronto the best and safest place to be

Purpose: To meet the service objectives under Adequacy Standards of the *Police Services Act*
- Crime Prevention
- Law Enforcement
- Assistance to Victims of Crime
- Public Order Maintenance
- Emergency Response Services
- 2017 net request: $1,006.6M
- Uniform establishment: 5,448
- Average deployment: 5,072
- Civilian establishment: 2,230
- Average Civilian funded FTE: 1,985

Corporate Services Command
- Human Resources
- Finance & Business Management
- Information Technology Services

CAO
3 Directors
15 Unit Commanders (19 units)

Operational Support Command
- Operational Support Services
- Corporate Risk Management
- Audit & Quality Assurance

Deputy
2 Directors
11 Unit Commanders (14 units)

Community Safety Command
- Area Field Command
- Central Field Command
- Toronto Police Operations Centre (TPOC)

Deputy
2 Staff Superintendents
19 Unit Commanders (22 units)

Specialized Operations Command
- Public Safety Operations
- Detective Operations

Deputy
2 Staff Superintendents
6 Unit Commanders (9 units)

Note: Number of units includes Deputy/CAO and Director/Staff Superintendent units
Uniform Deployment Strategy

Deployed Strength Projections - 2017-2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Deployed</th>
<th>Apr/17 Class</th>
<th>May/17 Direct Hires</th>
<th>Aug/17 Class</th>
<th>Nov/17 Direct Hires</th>
<th>Dec/17 Class</th>
<th>Apr/18 Class</th>
<th>May/18 Direct Hires</th>
<th>Aug/18 Class</th>
<th>Nov/18 Direct Hires</th>
<th>Dec/18 Class</th>
<th>Apr/19 Class</th>
<th>May/19 Direct Hires</th>
<th>Aug/19 Class</th>
<th>Nov/19 Direct Hires</th>
<th>Dec/19 Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5,072</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>4,912</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>4,767</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>61</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>160</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Target: 2017 - 5,448 (376 below on avg)
Target: 2018 - 5,448 (536 below on avg)
Target: 2019 - 5,448 (681 below on avg)
Uniform Establishment and Deployment History

![Graph showing uniform establishment and deployment history from 2010 to 2019. The graph includes bars for 'Avg Deployed' and a line for 'Establishment.' The values range from 5,618 in 2010 to 4,767 in 2019.]
## 2017 Civilian Establishment

<table>
<thead>
<tr>
<th></th>
<th>Full-time Staff</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Court Officers</td>
<td>499</td>
<td></td>
</tr>
<tr>
<td>Bookers</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>Station Duty Operators</td>
<td>104</td>
<td></td>
</tr>
<tr>
<td>Communications Operators</td>
<td>264</td>
<td></td>
</tr>
<tr>
<td><strong>Total 100% Back Fill</strong></td>
<td><strong>952</strong></td>
<td><strong>43%</strong></td>
</tr>
<tr>
<td>Divisions, Detective, Operational units - support staff</td>
<td>395</td>
<td></td>
</tr>
<tr>
<td>Property and Evidence Management</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Fleet Mechanics and Support staff</td>
<td>114</td>
<td></td>
</tr>
<tr>
<td>Information Technology Services</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td>Training and Education</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Strategic Management and Governance</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Video Services</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Records Management</td>
<td>255</td>
<td></td>
</tr>
<tr>
<td><strong>Total Indirect Support</strong></td>
<td><strong>1,059</strong></td>
<td><strong>47%</strong></td>
</tr>
<tr>
<td>Other - Finance, HR, Prof. Standards, etc.</td>
<td>219</td>
<td><strong>10%</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,230</strong></td>
<td></td>
</tr>
</tbody>
</table>
2017 Civilian Establishment and Actual History

<table>
<thead>
<tr>
<th>Year</th>
<th>Year End Actual</th>
<th>Establishment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1,784</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>1,833</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>1,853</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>1,943</td>
<td>2,001</td>
</tr>
<tr>
<td>2008</td>
<td>1,903</td>
<td>2,017</td>
</tr>
<tr>
<td>2009</td>
<td>1,964</td>
<td>2,050</td>
</tr>
<tr>
<td>2010</td>
<td>1,991</td>
<td>2,056</td>
</tr>
<tr>
<td>2011</td>
<td>1,967</td>
<td>2,068</td>
</tr>
<tr>
<td>2012</td>
<td>1,945</td>
<td>2,062</td>
</tr>
<tr>
<td>2013</td>
<td>1,912</td>
<td>2,062</td>
</tr>
<tr>
<td>2014</td>
<td>1,937</td>
<td>2,162</td>
</tr>
<tr>
<td>2015</td>
<td>1,964</td>
<td>2,218</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>2,230</td>
</tr>
</tbody>
</table>
Vacancy Analysis

Vacancy Drivers:

- During 2015 vacancies were reduced to catch up from 2013 hiring freeze
- Hiring freeze was reinstituted part way through 2016 in anticipation of Transformational Task Force recommendations
- Average approximately 150 uniform separations and 90 civilian separations per year

Hiring Strategies:

- Police officers, court officers and communication operators hired in groups, other civilians as vacancies occur
- Hiring moratorium on all positions except for mission critical/strategic hires

<table>
<thead>
<tr>
<th>Agency</th>
<th>2014 # of Vacancies</th>
<th>2014 Vacancies % of Total Approved Pos.</th>
<th>2014 Approved Pos. Equivalent</th>
<th>2015 # of Vacancies</th>
<th>2015 Vacancies % of Total Approved Pos.</th>
<th>2015 Approved Pos. Equivalent</th>
<th>2016 Year-End Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>460.0</td>
<td>5.8%</td>
<td>7,870.0</td>
<td>390.0</td>
<td>4.9%</td>
<td>7,883.0</td>
<td>544.0</td>
</tr>
<tr>
<td>Capital</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>460.0</td>
<td>5.8%</td>
<td>7,870.0</td>
<td>390.0</td>
<td>4.9%</td>
<td>7,883.0</td>
<td>544.0</td>
</tr>
</tbody>
</table>
Service Performance
Service Performance – Major Crime Indicators

- Seven major crime indicators are used as a key barometer of crime within the City
- All of these indicators can, and are used, to measure how safe a city is, which in turn, is one of the dynamics that impacts quality of life, entertainment, economic development, investment and tourism in a city
- Major crime rates decreased significantly from 2006 to 2015 (25% overall). However, in 2016 crime trends have changed. The below table highlights that, overall, crime has increased by 2% in 2016 compared to 2015 (as of October 31)
- In addition to the seven major crime indicators, shootings also impact community safety and have increased significantly from 2015

<table>
<thead>
<tr>
<th>Offence</th>
<th>YTD - 2016-10-31</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>Murder</td>
<td>41</td>
<td>57</td>
</tr>
<tr>
<td>Sex Assault</td>
<td>1,958</td>
<td>1,903</td>
</tr>
<tr>
<td>Assault</td>
<td>14,854</td>
<td>15,625</td>
</tr>
<tr>
<td>Robbery</td>
<td>2,919</td>
<td>3,167</td>
</tr>
<tr>
<td>Break and Enter</td>
<td>5,693</td>
<td>5,274</td>
</tr>
<tr>
<td>Auto Theft</td>
<td>2,634</td>
<td>2,739</td>
</tr>
<tr>
<td>Theft Over</td>
<td>882</td>
<td>866</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shootings</th>
<th>YTD - 2016-10-31</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>244</td>
<td>353</td>
</tr>
<tr>
<td>Victims</td>
<td>370</td>
<td>508</td>
</tr>
</tbody>
</table>
Service Performance – Major Crime Indicators

RESPONSE TIMES TO SELECTED EMERGENCY EVENTS BY TYPE OF CRIME

- Assault in Progress
- B&E in Progress
- Damage in Progress
- Fraud in Progress
- Hold Up
- Indecent Exposure
- Person Berserk
- Person with a Gun
- Person with a Knife
- Prowler on Location
- Robbery
- Theft in Progress
- Total Average Response

<table>
<thead>
<tr>
<th>Year</th>
<th>2014 YTD</th>
<th>2015 YTD</th>
<th>2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assault in Progress</td>
<td>12.4</td>
<td>11.4</td>
<td>14.1</td>
</tr>
<tr>
<td>B&amp;E in Progress</td>
<td>8.7</td>
<td>8.4</td>
<td>9.2</td>
</tr>
<tr>
<td>Damage in Progress</td>
<td>13.8</td>
<td>14.3</td>
<td>15.5</td>
</tr>
<tr>
<td>Fraud in Progress</td>
<td>27.2</td>
<td>32.7</td>
<td>24.0</td>
</tr>
<tr>
<td>Hold Up</td>
<td>6.8</td>
<td>8.3</td>
<td>6.8</td>
</tr>
<tr>
<td>Indecent Exposure</td>
<td>16.9</td>
<td>16.7</td>
<td>11.4</td>
</tr>
<tr>
<td>Person Berserk</td>
<td>11.0</td>
<td>12.1</td>
<td>10.9</td>
</tr>
<tr>
<td>Person with a Gun</td>
<td>8.8</td>
<td>8.3</td>
<td>8.6</td>
</tr>
<tr>
<td>Person with a Knife</td>
<td>9.3</td>
<td>9.4</td>
<td>9.8</td>
</tr>
<tr>
<td>Prowler on Location</td>
<td>9.7</td>
<td>9.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Robbery</td>
<td>15.5</td>
<td>15.9</td>
<td>14.4</td>
</tr>
<tr>
<td>Theft in Progress</td>
<td>16.9</td>
<td>18.5</td>
<td>18.1</td>
</tr>
<tr>
<td>Total Average Response</td>
<td>11.5</td>
<td>11.4</td>
<td></td>
</tr>
</tbody>
</table>
### Key Points (explanation of trend and variances and impact on 2017):

- **Savings have been achieved in salaries and benefits due to the hiring freeze. The annualized impact of the hiring freeze has been taken into account in developing the 2017 budget request.**

- **Favourable variances have been achieved in revenues due mainly to the reversal of one time liabilities.**

<table>
<thead>
<tr>
<th>City Program/Agency</th>
<th>Nine-Month Results</th>
<th>Year-End Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Expenditures</td>
<td>Revenue</td>
</tr>
<tr>
<td>Toronto Police Service</td>
<td>(3.7)</td>
<td>3.0</td>
</tr>
</tbody>
</table>

**Year-to-Date**
- 85% to 105% 0% to 85% >105%
  - Alert: 🟢 🟡 🟠

**Year-End**
- <=100% >100%
  - Alert: 🟢 🟠
Key Service Issues & Challenges

- Significant declines in staffing
  - Anticipated reduction in 2017 to 5,072 deployed officers (down 543 since 2010)
  - 1,985 funded civilians (2,230 approved established positions) - 11% gapping

- Demand for policing services
  - Changing and complex city
  - Crime Evolution and the changing face of policing

- Reduced funding from Provincial Grants

- Cost escalation
  - Collective agreement and bargaining provisions that impact cost
  - Anticipated increases in vendor contracts
  - Transformational Task Force related costs

- Transitioning from existing to new service delivery model
Key Service Issues & Challenges

EMERGENCY/NON-EMERGENCY CALLS

<table>
<thead>
<tr>
<th>Year</th>
<th>Emergency</th>
<th>Non-Emergency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>901,497</td>
<td>721,560</td>
</tr>
<tr>
<td>2015</td>
<td>835,692</td>
<td>670,541</td>
</tr>
<tr>
<td>2016</td>
<td>807,697</td>
<td>710,840</td>
</tr>
</tbody>
</table>

TOTAL HOURS SPENT ON CALLS FOR SERVICE

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Hours Spent on Calls for Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,281,391</td>
</tr>
<tr>
<td>2015</td>
<td>1,344,439</td>
</tr>
<tr>
<td>2016</td>
<td>1,336,916</td>
</tr>
</tbody>
</table>
New Service Delivery Model

Be where the public needs the Service the most.

Focus on the complex needs of a large City.

Embrace partnerships to create safe communities.

A service delivery model for how we:
- Related to public: focusing on safe communities and neighbourhoods
- Deliver our services: from primary to priority to response
- Access to services
- Sustainability and affordability
- Culture change
Business Modernization & Transformation Initiatives

February 2016
- Began Work

June 2016
- Interim Report
- $100M savings goal over 3 years
- Preliminary rec’ns to be developed
- Concrete savings – hiring moratorium

January 2017
- Final Report
- Expanding on interim report plus additional rec’ns and concrete path forward

2017 Q1
- Implementation Plan
Business Modernization & Transformation Initiatives

The Way Forward: Modernizing Community Safety in Toronto

Focusing On Safe Communities and Neighbourhoods
- Connected officers
- Improved capabilities related to data, information, and analysis, including big data
- Disbanding TAVIS
Business Modernization & Transformation Initiatives

Moving from primary to priority response:
• Risk assessment for priority and special events response
• Alternative reporting and follow-up for non-emergencies
• Improved public safety response
• More efficient scheduling, deployment in vehicles and retail response
• Alternative delivery of the Lifeguard and School Crossing Guard Programs
• Using traffic enforcement technology to improve community safety
Business Modernization & Transformation Initiatives

Access to Services:
• City-wide divisional boundary and facilities realignment
• More accessible and transparent information and services

Sustainability and Affordability:
• Moratorium on hiring and promotions
• Assessing Information Technology requirements
• Evaluate options for alternative or shared service delivery of Court Services, Parking Enforcement and background screenings
• Investment in 9-1-1

Culture Change:
• Comprehensive culture change and human resources strategy
2017 Preliminary Operating Budget - Gross Expenditures by Program & Funding Source

Where the Money Goes
$1,127.8 Million

- Salaries, $740.5M, 66%
- Non-salary expenditures, $121.4M, 11%
- Benefits, $208.4M, 18%
- Premium pay, $39.9M, 4%
- Salary Settlement, $17.3M, 1%

- Law Enforcement 71%
- Infrastructure 17%
- Community-Based Crime Prevention 8%
- Administration 4%
Where the Money Comes From
$1,127.8 Million

- Property Tax, $1,006,564.6, 89%
- Provincial, $37,802.5, 3%
- User Fees, $52,297.1, 5%
- Reserve Funds, $21,570.0, 2%
- IDR, $9,582.8, 1%
$47.5M in budget pressures

- Contracts expired for Safer Communities - 1,000 Officers Partnership Program and Community Policing Partnership Program (CPP) grants with no commitment for future funding

- Investments in consultants and technology to implement Task Force recommendations

- Inflationary pressures in contractual benefits and non salary accounts

- Required reserve contributions to ensure the future sustainability of the vehicle and equipment reserve and contractual benefit and legal reserves

- The 2017 impact of the 2015 to 2018 salary settlement between the Board and the Toronto Police Association and the Toronto Senior Officers’ Organization.
Actions to Achieve Budget Reduction Target
2017 Preliminary Service Change Summary

- 104 vehicles, discretionary and non-core items (training, promotions), lower negotiated contracts, internal service level reductions, historical spending review, reduced footprint

- Reduce backfill costs with strategic redeployment of staff, savings from additional separations in 2016

- Fund reserve contributions with 2016 surplus, fund bargaining through reserves

- Maintain vacancies and do not replace any officers that leave in the year (160 estimated) as well as 60 additional civilian vacancies

$45.6M in budget reductions made
# 2017 Preliminary Operating Budget Summary

<table>
<thead>
<tr>
<th>(In $000s)</th>
<th>2016</th>
<th>2017 Preliminary Operating Budget</th>
<th>2017 Prelim. vs. 2016 Budget Approved Changes</th>
<th>Incremental Change 2018 and 2019 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved Budget</td>
<td>2017 Base</td>
<td>2017 New/Enhanced</td>
<td>2017 Budget</td>
</tr>
<tr>
<td>By Service</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Gross Expenditures</td>
<td>1,131,884.2</td>
<td>1,127,817.0</td>
<td>1,127,817.0</td>
<td>(4,067.2)</td>
</tr>
<tr>
<td>Revenue</td>
<td>127,139.7</td>
<td>121,252.4</td>
<td>121,252.4</td>
<td>(5,887.3)</td>
</tr>
<tr>
<td>Net Expenditures</td>
<td>1,004,744.5</td>
<td>1,006,564.6</td>
<td>-</td>
<td>1,006,564.6</td>
</tr>
<tr>
<td>Approved Positions</td>
<td>7,881.0</td>
<td>7,881.0</td>
<td>-</td>
<td>7,881.0</td>
</tr>
</tbody>
</table>

**Key Points:**

- Limited increase to 0.2% over 2016
- Absorbs $45.6M in reductions
  - Significant 2017 pressures include salary settlement $17.3M and provincial funding loss of $14.9M from grants tied to uniform staffing levels
  - Incorporates hiring moratorium and savings from attrition
  - Includes an unallocated reduction $6.2M to be achieved through additional revenues or cost reductions
## Key Cost Drivers

<table>
<thead>
<tr>
<th>2016 Adjusted Budget (000's)</th>
<th>2017 Request</th>
<th>% chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Adjusted Budget (000's)</td>
<td>1,004,744.5</td>
<td></td>
</tr>
<tr>
<td>Gross Expenditure Changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year Impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual'd impact of 2016 separations, replacement and reclassification</td>
<td>(13,379.8)</td>
<td></td>
</tr>
<tr>
<td>Economic Factors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory Payroll Deductions and Benefit Increases</td>
<td>1,649.4</td>
<td></td>
</tr>
<tr>
<td>COLA and Progression Pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-year current year reclassification costs</td>
<td>2,645.3</td>
<td></td>
</tr>
<tr>
<td>Other Base Changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased Reserve Contribution</td>
<td>4,266.7</td>
<td></td>
</tr>
<tr>
<td>Leap Year</td>
<td>(1,900.0)</td>
<td></td>
</tr>
<tr>
<td>Impact of current year uniform separation and hires</td>
<td>(10,959.1)</td>
<td></td>
</tr>
<tr>
<td>Other net expenditure reductions</td>
<td>(4,083.3)</td>
<td></td>
</tr>
<tr>
<td>Total Gross Changes</td>
<td>(21,760.8)</td>
<td></td>
</tr>
<tr>
<td>Revenue Changes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant impact of hiring strategy</td>
<td>14,875.6</td>
<td></td>
</tr>
<tr>
<td>Provincial funding for court services</td>
<td>(4,292.3)</td>
<td></td>
</tr>
<tr>
<td>Changes in other fees</td>
<td>(504.5)</td>
<td></td>
</tr>
<tr>
<td>Decrease in Reserve Draws</td>
<td>2,441.4</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>(6,254.6)</td>
<td></td>
</tr>
<tr>
<td>Total Base Revenue Changes</td>
<td>6,265.6</td>
<td></td>
</tr>
<tr>
<td>Total Base Changes</td>
<td>(15,495.2)</td>
<td>-1.54%</td>
</tr>
<tr>
<td>Estimated salary settlement impact</td>
<td>17,315.3</td>
<td>1.72%</td>
</tr>
<tr>
<td>TOTAL BUDGET REQUEST, including salary settlement</td>
<td>1,006,564.6</td>
<td>0.18%</td>
</tr>
</tbody>
</table>
Additional Actions to Achieve Budget Reduction Target

Key Points:

 Despite significant efforts made to achieve the City’s target of  -2.6% decrease over the 2016 approved budget, Service was unable to achieve this reduction
   89% of the Service budget relates to human resource requirement
     All staffing strategies have been incorporated
   Non salary costs represents 7% of total request
     All options were considered and reduced where possible
   Further reduction options do not exist without reducing staff (beyond 160 uniform and 60 civilians each year for the next 3 years)
     240 additional staffing reduction is required
   Ontario Civilian Police Commission (OCPC) process requires public hearings to ensure Board has met its obligations under the Police Services Act (PSA) and the collective agreement
     Even if this process started immediately, it will not be completed to achieve the savings as of January 2017
   Further reductions would significantly risk the ability to provide adequate and effective policing
Operating Budget History With and Without COLA
Staff Recommended 2010 Operating Budget

Budget Committee – 2017 Tax Supported Budget Launch

Operating Budget History With and Without COLA

- Total decrease in Other expenses from 2012 to 2016: -$42M
- Average annual increase in budget from 2012 to 2016: 1.6%
- Average annual increase in CPI from 2012 to 2016: 1.7%
## 2018 & 2019 Plan

### Gross Expenditure Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 Incremental</th>
<th>2019 Incremental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Year Impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual's impact of 2016 separations, replacement and reclassification</td>
<td>(10,040.5)</td>
<td>(11,075.7)</td>
</tr>
<tr>
<td><strong>Economic Factors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory Payroll Deductions and Benefit Increases</td>
<td>3,103.1</td>
<td>3,130.0</td>
</tr>
<tr>
<td><strong>COLA and Progression Pay</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-year current year reclassification costs</td>
<td>1,912.1</td>
<td>403.8</td>
</tr>
<tr>
<td><strong>Other Base Changes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased Reserve Contribution</td>
<td>10,250.0</td>
<td>5,130.0</td>
</tr>
<tr>
<td>Impact of current year uniform separation and hires</td>
<td>(11,126.6)</td>
<td>(7,354.6)</td>
</tr>
<tr>
<td>Other net expenditure changes</td>
<td>3,608.4</td>
<td>4,236.5</td>
</tr>
<tr>
<td><strong>Total Gross Changes</strong></td>
<td>(2,293.5)</td>
<td>(5,530.0)</td>
</tr>
<tr>
<td><strong>Revenue Changes:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provincial funding for court services</td>
<td>(6,292.3)</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Base Revenue Changes</strong></td>
<td>(6,292.3)</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Base Changes</strong></td>
<td>(8,585.8)</td>
<td>(5,530.0)</td>
</tr>
<tr>
<td>Estimated salary settlement impact</td>
<td>17,088.0</td>
<td>17,000.0</td>
</tr>
<tr>
<td><strong>Total Incremental Impact</strong></td>
<td>8,502.2</td>
<td>11,470.0</td>
</tr>
</tbody>
</table>

Note: includes impact of Transformational Task Force hiring moratorium. Other impacts related to TTF strategies not yet known
Major Projects Completed in 2016

- 4th floor Headquarters modernization
- Renovation of 52 Division
- Review of fleet and reduction in the number of vehicles (lowers pressure on Vehicle and Equipment Reserve)
- Body Worn Camera pilot project
- Transforming Corporate Support blueprint
- Return of two properties to the City
Capital Budget Variance as of September 30, 2016

<table>
<thead>
<tr>
<th>Agencies</th>
<th>2016 Approved Cash Flow</th>
<th>2016 Expenditure</th>
<th>Trending</th>
<th>Alert</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016 Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>YTD Spending</td>
<td>Year-End Projection</td>
<td>% at Year End</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toronto Police</td>
<td>Q3</td>
<td>71.70</td>
<td>18.80</td>
<td>35.30</td>
</tr>
</tbody>
</table>

Key Points (explanation of variances):
- Spending lower due to:
  - Task Force change in direction
  - Lower pricing from procurement
  - Delayed negotiations related to complex contracts
  - Coordination and evaluation of partnership opportunities (joint procurement with City and its agencies)
Making capital investments that modernize the Toronto Police Service

- Transitional Plan
- Continues to support current inventory of equipment and facilities but move towards less bricks and mortar and more information technology
- Funds State of Good Repair and enhanced information delivery
Key Capital Issues & Priority Actions for 2017

- Key issues:
  - Reserve is depleting as a source of funding
  - Final report for Transformational Task Force will impact current and future capital investments (requirements unknown)

- Priority Actions:
  - Facilities realignment – Pending demand analysis
  - Connected Officer initiative
  - Conducted Energy Weapons (CEW’s) public consultation
  - Body Worn Camera assessment and collaboration with other Services
2017 – 2026 Preliminary Capital Budget & Plan
### Board Approved Vs City Recommended Program

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Approved Requested Debt</td>
<td>18,967</td>
<td>20,845</td>
<td>39,440</td>
<td>41,256</td>
<td>21,341</td>
<td>28,115</td>
<td>19,708</td>
<td>13,101</td>
<td>5,101</td>
<td>24,585</td>
<td>232,459</td>
</tr>
<tr>
<td>City Recommended Requested Debt</td>
<td>17,511</td>
<td>20,952</td>
<td>40,137</td>
<td>33,125</td>
<td>28,740</td>
<td>20,768</td>
<td>13,314</td>
<td>19,492</td>
<td>13,560</td>
<td>16,658</td>
<td>224,257</td>
</tr>
<tr>
<td>Variance</td>
<td>(1,456)</td>
<td>107</td>
<td>697</td>
<td>(8,131)</td>
<td>7,399</td>
<td>(7,347)</td>
<td>(6,394)</td>
<td>6,391</td>
<td>8,459</td>
<td>(7,927)</td>
<td>(8,202)</td>
</tr>
</tbody>
</table>

- City Recommended program is below target by $8.2M
- Includes the Parking Enforcement portion of Administrative Penalty System (APS) of $2.55M
- Program will change in future years, pending Task Force recommendations and known requirements
Future Project - Connected Officer
Task Force Initiative

- Smart devices carried by all officers
- Connected to most current operational information
- Full application suite and e-notebook

Face to face with public
Time spent in back office
Where the Money Goes
$522.987 Million

- SOGR, $512.6, 98%
- Service Improv., $9.4, 2%
- Growth Related, $1.0, 0%

Where the Money Comes From
$522.987 Million

- Debt, $224.3, 43%
- Reserve & Reserve Funds, $251.6, 48%
- Dev. Charges, $47.1, 9%
### 2017 – 2026 Preliminary Capital Budget and Plan by Category (000’s)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SOGR</td>
<td>40.2</td>
<td>43.1</td>
<td>76.7</td>
<td>71.0</td>
<td>54.2</td>
<td>50.1</td>
<td>42.8</td>
<td>56.7</td>
<td>37.9</td>
<td>39.9</td>
</tr>
<tr>
<td>Service Improvements</td>
<td>6.6</td>
<td>1.7</td>
<td>0.0</td>
<td>0.3</td>
<td>0.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Growth Related</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>1.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
State of Good Repair Backlog

Accumulated Backlog as a % of Asset Value

- SOGR backlog is only for facility-related repairs. Many of the projects within SOGR backlog may be revised based on Transformational Task Force Recommendations
- Other equipment/systems are being replaced under lifecycle programs (reserve-funded) or they are included as replacements in the Service capital program under Debt funding for future years
2017 – 2026 Preliminary Capital Budget and Plan by Funding Source

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt/CFC</td>
<td>17.51</td>
<td>20.95</td>
<td>40.14</td>
<td>33.13</td>
<td>28.74</td>
<td>20.77</td>
<td>13.31</td>
<td>19.49</td>
<td>13.56</td>
<td>16.66</td>
</tr>
<tr>
<td>Reserves/Reserve Funds</td>
<td>22.30</td>
<td>20.88</td>
<td>33.06</td>
<td>24.34</td>
<td>21.58</td>
<td>24.14</td>
<td>20.60</td>
<td>37.23</td>
<td>24.65</td>
<td>22.87</td>
</tr>
<tr>
<td>Development Charges</td>
<td>7.00</td>
<td>2.93</td>
<td>3.54</td>
<td>13.80</td>
<td>4.12</td>
<td>5.20</td>
<td>9.91</td>
<td>0.00</td>
<td>0.00</td>
<td>0.58</td>
</tr>
</tbody>
</table>

Budget Committee – 2017 Tax Supported Budget Launch
## Incremental Operating Impact of Capital

<table>
<thead>
<tr>
<th>Project Name</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Impact from Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transforming Corporate Support</td>
<td>22.0</td>
<td>69.0</td>
<td>-227.0</td>
<td>75.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total - 2017 Impact From Capital</td>
<td>22.0</td>
<td>69.0</td>
<td>-227.0</td>
<td>75.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Facility Realignment</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>72.0</td>
<td>73.4</td>
<td>73.4</td>
<td>78.0</td>
<td>153.7</td>
<td>5.3</td>
<td>5.5</td>
</tr>
<tr>
<td>Peer to Peer Site</td>
<td>0.0</td>
<td>175.0</td>
<td>175.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Business Intelligence Technology</td>
<td>0.0</td>
<td>500.0</td>
<td>538.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total - 2018-2026 Impact From Capital</td>
<td>0.0</td>
<td>675.0</td>
<td>713.0</td>
<td>76.0</td>
<td>77.4</td>
<td>77.4</td>
<td>82.0</td>
<td>157.7</td>
<td>8.9</td>
<td>9.2</td>
</tr>
<tr>
<td>Total Projects- Incremental Operating Impact</td>
<td>22.0</td>
<td>744.0</td>
<td>486.0</td>
<td>151.0</td>
<td>77.4</td>
<td>77.4</td>
<td>82.0</td>
<td>157.7</td>
<td>8.9</td>
<td>9.2</td>
</tr>
</tbody>
</table>
2017 Operating Budget Parking Enforcement Unit
Parking Enforcement Objectives

- Assisting with safe and orderly flow of traffic
- Responding to public & private parking concerns
- Regulating parking through equitable and discretionary application of by-laws
- Providing operational support to Toronto Police Service:
  - Language interpretation, stolen vehicle recovery, corporate and local community-policing initiatives, emergency support, crime management
- Assisting at special events, ensuring safe and unobstructed movement of vehicular and pedestrian traffic
- Fostering crime prevention by providing a radio equipped, highly visible, uniformed presence in our communities
- Uniformed civilian frontline ambassadors of the Service providing additional “eyes and ears” in the field.
How are Parking Operations Organized

As part of the Toronto Police Service:
- Police PEU – responsible for the enforcement program;
  - based on municipal by-laws; and
  - Municipal Law Enforcement Officer (MLEO) training and oversight

As part of the City of Toronto:
- City Treasurer, Revenue Processing – Processing and collecting files;
  - Oversight of dispute centres, trial requests and pre-court document processing.
- City Court Services, Judicial Processing – Scheduling and supporting POA trials
- City Legal Services - Prosecutions
Who receives the revenue from parking tags?

Revenues are collected by and accrue directly to the City of Toronto

Revenues are impacted by:

- City Council initiatives;
- By-law changes;
- Increased fines initiatives;
- Specialized Programs, such as legal parking permit issuance;
- Enforcement levels.
### 2017 Preliminary Budget Pressures and Reduction Strategies

<table>
<thead>
<tr>
<th>Description</th>
<th>2016 Approved Budget</th>
<th>2017 Preliminary Request</th>
<th>% Change over 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin Penalty System (APS) for Parking Violations</td>
<td>$2,990.0</td>
<td>$2,990.0</td>
<td></td>
</tr>
<tr>
<td>Benefits &amp; non-Cola</td>
<td>$150.9</td>
<td>$150.9</td>
<td></td>
</tr>
<tr>
<td>Salary settlement</td>
<td>$746.3</td>
<td>$3,887.2</td>
<td>8.46%</td>
</tr>
<tr>
<td><strong>Total Reductions</strong></td>
<td><strong>$49,818.7</strong></td>
<td><strong>$49,818.7</strong></td>
<td><strong>8.46%</strong></td>
</tr>
</tbody>
</table>

**Reduction Strategies**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternate funding source for APS</td>
<td>($2,550.0)</td>
<td>-</td>
</tr>
<tr>
<td>Premium Pay reductions</td>
<td>($217.1)</td>
<td></td>
</tr>
<tr>
<td>Other budget reductions</td>
<td>($329.0)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Reductions</strong></td>
<td><strong>($3,096.1)</strong></td>
<td><strong>-6.74%</strong></td>
</tr>
<tr>
<td><strong>2017 Revised Request</strong></td>
<td><strong>$46,722.6</strong></td>
<td><strong>1.72%</strong></td>
</tr>
</tbody>
</table>
### Toronto Police Parking Overall Summary ($000s)

<table>
<thead>
<tr>
<th>Category of Expense / Revenue</th>
<th>2016 Budget</th>
<th>2017 Request</th>
<th>Change</th>
<th>% change over 2016 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>30,115.6</td>
<td>29,969.5</td>
<td>-146.1</td>
<td>-0.32%</td>
</tr>
<tr>
<td>Benefits</td>
<td>7,527.6</td>
<td>7,586.7</td>
<td>59.1</td>
<td>0.13%</td>
</tr>
<tr>
<td>Premium Pay</td>
<td>2,834.7</td>
<td>2,693.0</td>
<td>-141.7</td>
<td>-0.31%</td>
</tr>
<tr>
<td>Supplies/ Equipment</td>
<td>1,507.1</td>
<td>1,400.2</td>
<td>-106.9</td>
<td>-0.23%</td>
</tr>
<tr>
<td>Services</td>
<td>5,466.0</td>
<td>5,398.3</td>
<td>-67.7</td>
<td>-0.15%</td>
</tr>
<tr>
<td>Revenue</td>
<td>-1,519.5</td>
<td>-1,511.4</td>
<td>8.1</td>
<td>0.02%</td>
</tr>
<tr>
<td>Total 2017 Request Excluding Salary Settlement and APS</td>
<td>45,931.5</td>
<td>45,536.3</td>
<td>-395.2</td>
<td>-0.86%</td>
</tr>
<tr>
<td>APS Reserve Contribution</td>
<td></td>
<td>440.0</td>
<td>440.0</td>
<td>0.96%</td>
</tr>
<tr>
<td>Salary Settlement</td>
<td></td>
<td>746.3</td>
<td>746.3</td>
<td>1.62%</td>
</tr>
<tr>
<td>2017 Total Including Salary Settlement and APS</td>
<td>45,931.5</td>
<td>46,722.6</td>
<td>791.1</td>
<td>1.72%</td>
</tr>
</tbody>
</table>