

Budget At A Glance

STAFF RECOMMENDED OPERATING BUDGET			
\$Million	2019	2020	2021
Gross Expenditures	\$4.612	\$3.612	\$2.812
Revenues	\$2.300	\$1.300	\$0.500
Net Expenditures	\$2.312	\$2.312	\$2.312
Approved Positions	7.0	7.0	7.0

Key Service Deliverables

Provide input into, analyze, and respond to anticipated changes to the *Safer Ontario Act*

Monitor implementation of the Transformational Task Force's final report, *The Way Forward*

Continue to provide robust civilian governance and oversight to North America's fourth-largest municipal police service

Monitor and celebrate the achievements of the Toronto Police Service

Who We Serve

Toronto Police Service Governance & Oversight

- Chief of Police
- Staff – Toronto Police Service
- Toronto Police Association
- Toronto Police Senior Officers' Organization

Beneficiaries

- Businesses
- Ministry of Community Safety & Correctional Services
- Residents
- City & Agency Staff

CONTENTS

Page

4

6

11

14

15

16

N/A

N/A

N/A

N/A

17

RECOMMENDATIONS

2019 STAFF RECOMMENDED OPERATING BUDGET

ISSUES FOR DISCUSSION

APPENDICES

1. 2019 Organization Chart
2. 2019 Operating Budget by Service
3. 2019 Service Levels
4. Summary of 2019 Recommended Service Changes
5. Summary of 2019 Recommended New & Enhanced Service Priorities
6. 2019 User Fee Rate Changes
7. Reserve and Reserve Fund Review

Agency:

Ryan Teschner

Executive Director

Tel: (416) 808-8081

Email: Ryan.Teschner@tpsb.ca

Corporate:

Judy Skinner

Manager, Financial Planning

Tel: (416) 397-4219

Email: Judy.Skinner@toronto.ca



RECOMMENDATIONS

RECOMMENDATIONS

The City Manager and Chief Financial Officer & Treasurer recommend that:

1. City Council approve the 2019 Staff Recommended Operating Budget for Toronto Police Services Board of \$4.612 million gross, \$2,312 million net for the following services:

Service:	Gross (\$000s)	Net (\$000s)
Toronto Police Service Governance & Oversight	4,611.8	2,311.8
Total Program Budget	4,611.8	2,311.8

2. City Council approve the 2018 Toronto Police Services Board staff complement of 7.0 positions, comprised of 6 staff members and 1 Chair.



2019 STAFF RECOMMENDED OPERATING BUDGET

PROGRAM MAP

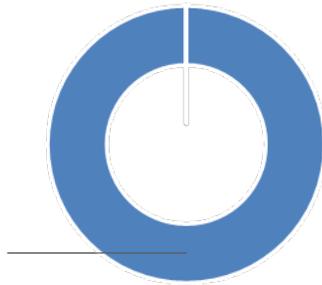


■ Program
 ■ Service
 ■ Activity
 ■ Sub-Activity

2019 OPERATING BUDGET HIGHLIGHTS

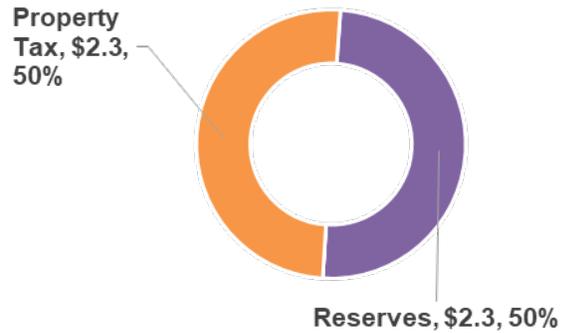
2019 Staff Recommended Operating Budget \$4.6M

By Service



Toronto Police Service Governance & Oversight, \$4.6, 100%

By Funding Source



- **0.1%** Budget increase over the 2018 Approved Net Operating Budget to maintain existing service levels.
- **0.018M** Increases primarily in salaries and benefits for cost of living adjustments offset by a reduction in discretionary expenditures.
- **2020/2021** Final year of Independent Missing Persons Review to be concluded in April 2020.

2019 OPERATING BUDGET OVERVIEW

Table 1: 2019 Staff Recommended Operating Budget and Plan by Service

(In \$000s)	2018		2019			Changes	Incremental Change		
	Budget	Projected Actual*	Base	New / Enhanced	Total Staff Recommended Budget		2020 Plan	2021 Plan	
By Service	\$	\$	\$	\$	\$	%	\$	\$	
Total									
Gross Expenditures	3,434.1	3,434.1	4,611.8		4,611.8	1,177.7	34.3%	(1,000.0)	(800.0)
Revenue	1,125.0	1,125.0	2,300.0		2,300.0	1,175.0	104.4%	(1,000.0)	(800.0)
Total Net Expenditures	2,309.1	2,309.1	2,311.8		2,311.8	2.7	0.1%	0.0	0.0
Approved Positions	7.0	7.0	7.0	0.0	7.0	0.0		0.0	0.0

* Year-End Projection Based on Q3 2018 Variance Report

Base Changes

(\$0.027 Net)

- Increase in salaries and benefits from cost of living adjustments, offset by decreases in other discretionary expenses.
- 2019 costs relating to extension of Independent Missing Persons Review, fully funded by the Tax Rate Stabilization Reserve.

Future Year Plan

- Reversal of the costs for the Independent Missing Persons Review to be completed in April 2020.

2019 Staff Recommended Operating Budget Changes by Service

The 2019 Staff Recommended Operating Budget for Toronto Police Services board is \$0.027 million net or 0.1% higher than the 2018 Council Approved Operating Budget. Table 2 below summarizes the key cost drivers to maintain current service levels.

Table 2: 2019 Staff Recommended Operating Budget Changes by Service

(In \$000s)	Services		Total
	Toronto Police Service Governance & Oversight		
	\$	\$	Positions
2018 Council Approved Operating Budget (Net)	2,309.1	2,309.1	7.0
Base Expenditure Changes			
Salaries and Benefits			
Inflationary Increases in Salaries & Benefits	17.7	17.7	
Other Base Expenditure Changes			
Reduction in Discretionary Expenditures	(15.0)	(15.0)	
Independent Missing Persons Investigation - 2019 costs (\$1.800M gross)	0.0	0.0	
Sub-Total Base Expenditure Changes	2.7	2.7	
Total 2019 Staff Recommended Operating Budget (Net)	2,311.8	2,311.8	7.0

2018 OPERATING PERFORMANCE

2018 Service Performance

Key Service Accomplishments:

- Approved terms of reference and formally launched an independent review of the policies, practices and actions of the Board and the Toronto Police Service in relation to missing person reports and investigations.
- Established an Anti-Racism Advisory Panel (ARAP), arising from a recommendation made by the jury in the inquest into the death of Mr. Andrew Loku. The work of ARAP is focused on the establishment of a monitoring framework for the Board to use in assessing the response to and implementation of each of the inquest recommendations directed to the Toronto Police Service and the Toronto Police Services Board, including the creation of key benchmarks and performance indicators addressing each recommendation.
- Lifted the hiring moratorium that was previously in place to aid with sustainability and affordability efforts.
- Worked closely with the Toronto Police Service in the hiring of approximately 140 new recruits, who will ultimately serve as police constables.
- Worked closely with Toronto Police Service and the City to facilitate other aspects of the Board's transformation agenda including moving the lifeguard and crossing guards programs over to the City and strengthening partnerships to enhance the use of the City's 311 service to address non-policing calls that often come to the police.
- Throughout 2018, the Board held monthly Confidential and Public meetings, dealt with hundreds of agenda items, and responded to public inquiries and concerns from members of the public on a daily basis.

2018 Financial Performance

Table 3: Budget vs. Actual by Category of Expenditures and Revenues

Category (In \$000s)	2017 Actual	2018 Budget	2018 Projected Actual *	2019 Total Staff Recommended Budget	2019 Change from 2018 Approved Budget	
	\$	\$	\$	\$	\$	%
Salaries and Benefits	885.8	1,019.5	1,019.5	1,037.2	17.7	1.7%
Materials & Supplies	7.2	7.6	7.6	7.6		
Equipment	6.0					
Service and Rent	468.5	1,302.3	1,302.3	2,462.3	1,160.0	89.1%
Contribution To Capital						
Contribution To Reserves/Reserve Funds	529.0	529.0	529.0	529.0		
Other Expenditures						
Inter-Divisional Charges	533.6	575.7	575.7	575.7		
Total Gross Expenditures	2,430.1	3,434.1	3,434.1	4,611.8	1,177.7	34.3%
Inter-Divisional Recoveries						
Provincial Subsidies						
Federal Subsidies						
Other Subsidies						
User Fees & Donations						
Licences & Permits Revenue						
Transfers From Capital						
Contribution From Reserves/Reserve Funds	382.6	1,125.0	1,125.0	2,300.0	1,175.0	104.4%
Sundry and Other Revenues						
Total Revenues	382.6	1,125.0	1,125.0	2,300.0	1,175.0	104.4%
Total Net Expenditures	2,047.5	2,309.1	2,309.1	2,311.8	2.7	0.1%
Approved Positions	7.0	7.0	7.0	7.0		

* Year-End Projection Based on Q3 2018 Variance Report

Toronto Police Services Board is not projecting a variance for 2018. For additional information regarding the 2018 Q3 operating 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, 2018", adopted by City Council at its meeting on December 13, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.7>

Impact of 2018 Operating Variance on the 2019 Staff Recommended Operating Budget

- There is no impact on the 2019 Staff Recommended Operating Budget from the 2018 Nine-Month Operating Variance report.



ISSUES FOR DISCUSSION

ISSUES IMPACTING THE 2019 BUDGET

2019 Budget Overview

2019 Operating Budget:

- The Transformational Task force was created to address the expectations that City of Toronto has of its police service related to accountability, collaboration and inclusiveness, greater openness, transparency of information and decision-making, as well as sustainability and affordability.
- Guided by the report from the Transformational Task Force, *The Way Forward*, approved by City Council in 2017 contained 32 recommendations to modernize the policing model for the City of Toronto, this report serves as the business plan for Toronto Police Service for 2017 - 2019. The Toronto Police Services Board worked closely with Toronto Police Service and the City Programs to facilitate aspects of the report, including the transfer of the School Crossing Guard Program to the City's Transportation Services beginning August 1, 2018, of which the budgetary impacts are included in the 2019 Staff Recommended Operating Budget for the Toronto Police Service.
- In 2018, the Board approved terms of reference and formally launched an independent review of the policies, practices and actions of the Board and the Toronto Police Service in relation to missing person reports and investigations. The review began September 2018 and is expected to be complete by April 2020. City Council approved a total cost estimated up to \$3 million for the Review as well as up to \$0.025 million for the Review Working Group, all funded from the Tax Rate Stabilization Reserve.
 - During 2018, TPSB spent \$0.400 million for the Review plus \$0.025 for the Review Working Group, funded by the reserve. The PSB's 2018 Operating Budget included \$0.625 million for this purpose.
 - Included in TPSB's 2019 Staff Recommended Operating Budget of \$4.612 million gross and \$2.312 million net includes the cost of \$1.8 million gross and \$0 net, funded by the Tax Rate Stabilization Reserve, to continue the Independent Review of Missing Persons currently underway.
- Overall, the 2019 Staff Recommended Operating Budget for Toronto Police Services Board (TPSB) is \$4.612 million gross and 2.312 million net with a minimal increase of \$1.178 million gross and \$0.003 million net over 2018 Council Approved Operating Budget. The 2019 Staff Recommended Operating Budget will enable TPSB to continue supporting and implementing the TPSB's Transformation Plan and addressing service priorities while maintaining the services for all residents and businesses across the city.
- At its meeting on January 24, 2019, TPSB approved its 2019 Operating Budget Request of \$4.758 million gross and \$2.458 million net. This represents an increase of \$1.324 million gross and \$0.149 million net when compared to 2018. The report and decision can be accessed via the following link:
http://www.tpsb.ca/images/agendas/AGENDA_PUBLIC_January24.pdf
- It is noted that the 2019 Board Approved Operating Budget Request is higher than the 2019 Staff Recommended Operating Budget for TPSB by \$0.146 million gross and net attributed to the following three staffing enhancements:
 - A new full-time role for Senior Advisor, Strategic Audit and Governance to support the Board's governance role,
 - A new half-time role for Administrative Assistant to provide support to Board members as well as review and draft response to an increasing volume of public correspondence and inquiries, and
 - Reclassification of an existing Administrative Assistant to Executive Assistant to provide high-level support.
- The 2019 Board Approved Operating Budget Request for Toronto Police Services Board will be forwarded to Budget Committee for consideration as part of the 2019 Budget process.

ISSUES REFERRED TO THE 2019 BUDGET PROCESS

Missing Persons Investigations Review

- At its meeting on July 23 - 30, 2018, City Council approved up to \$3 million for the Missing Persons Investigations Review and increased the 2018 Approved Operating Budget for the Toronto Police Services Board by \$0.600 million, on a one time basis, funded from the Tax Rate Stabilization Reserve for the 2018 costs of the Missing Persons Investigations Review Working Group. In addition, City Council requested that the Toronto Police Services Board consult further with the Chief Financial Officer concerning future budget provisions for the balance of this Missing Persons Investigations Review's cost in 2019 and 2020 as part of the annual budget process. Attached is the link to the report and decision:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.44>

- At the same meeting, City Council also approved an increase of \$0.025 million on a one-time basis funded from the Tax Rate Stabilization Reserve to support the Working Group appointed by the Toronto Police Services Board to provide legal and community perspectives for the Independent External Review with respect to Police Service Missing Persons Investigations. Attached is the link to the report and decision:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX35.38>

- The funds associated with the Review are fully funded by the Tax Rate Stabilization Reserve and the Board will only draw on the reserve to the extent needed to fund the actual expenditures incurred in the year. Below table shows the 2018 actual expenditures of the Review and projected expenditures for 2019 and 2020:

Year	2018 Actual	2019 Budget	2020 Plan	Total
Working Group	\$0.025M	-	-	\$0.025
Review	\$0.4M	\$1.8M	\$0.8M	\$3.0M
Revised Expenditures	\$0.425M	\$1.8M	\$0.8M	\$3.025M

- In terms of timing, the completion date for this Independent Review into Toronto police's handling of cases for missing persons will be concluded in April 2020. It is expected that the final report will be brought forward to the Toronto Police Services Board on the results and outcomes of this external review.

ISSUES IMPACTING FUTURE YEARS

Safer Ontario Act and Possible Legislative Changes

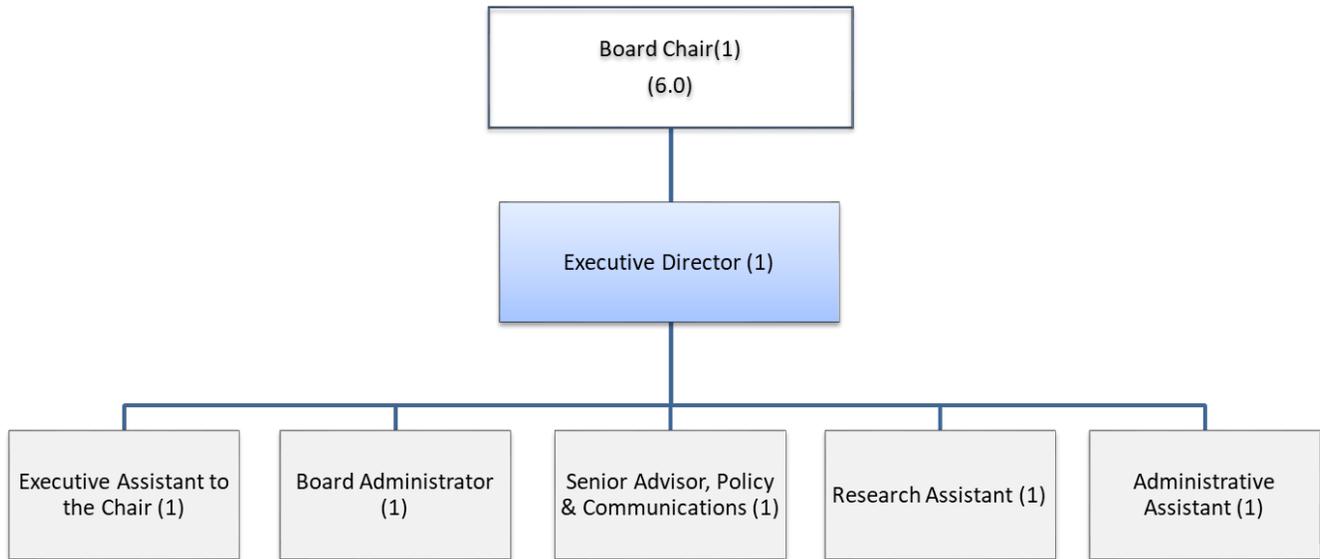
- The legislation package, known as Bill 175 or the Safer Ontario Act received royal assent on March 8, 2018. This act repeals and replaces Ontario's Police Services Act from 1990. However, following the provincial election of 2018, the new government announced that a review of this legislation would be performed. Impacts of Bill 175 and how it will inform future years' budgets are unknown at this time.
- No specific timeline has been announced as to when these changes would be consulted on or tabled. The Board will assess the financial impact of any changes made by the provincial government and the results of the assessment will inform the 2020 Budget process.



APPENDICES

Appendix 1

2019 Organization Chart



The 2019 total staff complement includes the Board Chair and staff for a total of 7.0 operating positions, as summarized in the table below.

2019 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	1.0	1.0	5.0		7.0
	Temporary					
	Total Operating	1.0	1.0	5.0		7.0
Capital	Permanent					
	Temporary					
	Total Capital					
Grand Total		1.0	1.0	5.0		7.0

Appendix 2

2019 Operating Budget by Service

Toronto Police Service Governance and Oversight

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
Total								
Gross Expenditures	3,434.1	4,611.8	0.0	4,611.8	1,177.7	34.3%	(1,000.0)	(800.0)
Revenue	1,125.0	2,300.0	0.0	2,300.0	1,175.0	104.4%	(1,000.0)	(800.0)
Total Net Expenditures	2,309.1	2,311.8	0.0	2,311.8	2.7	0.1%	0.0	0.0
Approved Positions	7.0	7.0	0.0	7.0	0.0		0.0	0.0

Appendix 7

Inflows and Outflows to/from Reserves and Reserve Funds 2019 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			1,317.6	1,346.6	1,375.6
Police Legal Liabilities	XQ1901				
<i>Withdrawals (-)</i>			(500.0)	(500.0)	(500.0)
<i>Contributions (+)</i>			529.0	529.0	529.0
Total Reserve / Reserve Fund Draws / Contributions			1,346.6	1,375.6	1,404.6
Balance at Year-End		1,317.6	1,346.6	1,375.6	1,404.6

* Based on 9-month 2018 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			49,397.5	47,597.5	46,797.5
Tax Rate Stabilization Reserve	XQ0703				
<i>Withdrawals (-)</i>					
Missing Persons Investigations Review			(1,800.0)	(800.0)	-
Total Reserve / Reserve Fund Draws / Contributions		-	47,597.5	46,797.5	46,797.5
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		49,397.5	47,597.5	46,797.5	46,797.5

* Based on 9-month 2018 Reserve Fund Variance Report