

# 2020 Budget Notes

## Toronto Police Services Board

*While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at 416-395-6767 or Anthony.Ng@toronto.ca*

### What we do

We are responsible, under the Police Services Act, for ensuring the provision of adequate and effective police services in Toronto. As the employer of the Toronto Police Service, the Board is responsible for negotiating all labour contracts, the hiring and termination of all members, and reviewing the disciplinary processes.

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### Why we do it

The Toronto Police Services Board is the civilian governance body that oversees the Toronto Police Service. The Board is dedicated to ensuring that police services are delivered in partnership with our communities, to keep Toronto the best and safest place to be. Ontario's Police Services Act requires the Board to: generally determine the objectives and priorities for police services in the municipality, after consulting with the Chief of Police; set policies for the effective management of the police force; recruit and appoint the Chief of Police and Deputy Chiefs of Police; direct the Chief of Police and monitor their performance; and, determine the budget for the police force.

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### 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 the Solicitor General & Ministry of the Attorney General
- Residents
- City & Agency Staff

## Budget at a glance

STAFF RECOMMENDED OPERATING BUDGET			
\$Million	2020	2021	2022
Revenues	\$1.8	\$0.5	\$0.5
Gross Expenditures	\$3.8	\$2.4	\$2.4
Net Expenditures	\$1.9	\$1.9	\$1.9
Approved Positions	7.5	7.5	7.5

Toronto Police Board does not have 2020 Capital Budget and Plan

## Key service outcomes

Outcomes	Description
<b>Policies that provide robust governance for the Toronto Police Service</b>	Rely on independent expert analysis and advice from the professional Board staff to develop policies on matters of public interest that strengthen the Board's governance and oversight function and increases the public's trust and confidence in the Board.
<b>Partner with community organizations on innovative approaches to engagement</b>	Continue to use different methods and approaches to bring the public and a variety of community organizations into the policy development process so that policies are reflective and responsive to the public's needs.
<b>Increased visibility of the Board members and Board staff in the public at or on important issues and events</b>	Increase social media presence, as well as speaking opportunities for Board members and Board staff to increase awareness of the work that the Board is doing.
<b>Engagement in the development of a budget that focuses on priority outcomes</b>	Work closely with the Service and provide support in the development and analysis of Operational, Capital, and Parking budgets that reflect strategic investments into in key areas (i.e. Frontline services, capital, human resources, innovative Service initiatives, etc).

## Our experience and success

- Continued implementation of *The Way Forward* and all related projects (ie. New shift schedules; Connected Officer Program; Neighbourhood Community Officers; Civilianization of uniform roles)
- Establishment of the Anti-Racism Advisory Panel and the Mental Health and Addictions Panel
- Establishment of a first-of-its-kind Board Governance Dashboard
- Creation and ultimate approval of a new Race-Based Data Collection Policy
- Development and launch of the Independent Workplace Harassment Review approved to begin exploring issues of harassment and discrimination of all kinds in the Service
- Provide ongoing consultation and feedback into the Province's new policing legislation
- Approval of two innovative partnerships: Collective Impact and MOU with Midaynta Community Services
- Continued work of the Independent Civilian Review into Missing Person Investigations

## Key challenges and risks

- As the demand for adequate and effective policing, and strong governance, oversight and accountability increases, the Board must be responsive to community and Service demands and pressures in a challenging fiscal climate.

## Priority actions

- Remain focused on how police officers can best respond to community and Service demands
- Continue to build on confronting issues of bias, discrimination, and harassment with concrete actions that the Board can oversee the implementation of, such as supporting the Independent Workplace Harassment Review, the implementation of recommendations arising from the Ontario Human Rights Commission Systemic Inquiry, and engaging the Board's Anti-Racism Advisory Panel
- Strategic engagement with different orders of Government on emerging and critical issues (e.g. Gun and gang violence; funding opportunities for various initiatives)
- Continue to play an active role in consulting and advising the government on major initiatives such as the *Comprehensive Ontario Police Services Act*, or through panels such as the NG-911 Advisory Panel
- Continue the Independent Civilian Review into Missing Person Investigations with an ultimate focus on implementing any recommendations arising from the Review (\$1.3 million gross and \$0 net in 2020)

## Our key services



Development of informed, 'best in class' policies



Engagement with community partners and key stakeholders on important issues and to ensure that the Board broadly understands all of the challenges



Increase visibility of the Board on important issues

## Key service deliverables

- Provide input into, analyze, and respond to anticipated changes to the *Comprehensive Ontario Police Services Act*
- Development of new policies that focus on community safety, community engagement, and enhanced governance.
- Continue to monitor the implementation of the Transformational Task Force's final report, *The Way Forward* (ie. New shift schedules that achieve the IACP standard of 70/30; Connected Officer Program; Neighbourhood Community Officers; Civilianization of uniform roles; etc)
- 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

## RECOMMENDATIONS

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

1. City Council approve the 2020 Staff Recommended Operating Budget for Toronto Police Services Board of \$3.767 million gross, \$1.930 million net for the following services:

<b>Service:</b>	<b>Gross (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Net (\$000s)</b>
Toronto Police Services Board	3,767.4	1,837.0	1,930.4
<b>Total Program Budget</b>	<b>3,767.4</b>	<b>1,837.0</b>	<b>1,930.4</b>

2. City Council approve the 2020 staff complement for Toronto Police Services Board of 7.5 positions.

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# 2020 STAFF RECOMMENDED OPERATING BUDGET

## 2020 OPERATING BUDGET OVERVIEW

**Table 1: 2020 Staff Recommended Operating Budget by Service**

(\$000s)	2018 Actual	2019 Projected Actual	2020 Base Budget	2020 New / Enhanced	2020 Staff Rec'd Budget	Change v. 2019 Projected Actual	
						\$	%
<b>By Service</b>	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>							
Toronto Police Services Board	629.8	2,300.0	1,837.0	0.0	1,837.0	(463.0)	(20.1%)
<b>Total Revenues</b>	629.8	2,300.0	1,837.0	0.0	1,837.0	(463.0)	(20.1%)
<b>Expenditures</b>							
Toronto Police Services Board	2,320.4	4,203.7	3,767.4	0.0	3,767.4	(436.3)	(10.4%)
<b>Total Gross Expenditures</b>	2,320.4	4,203.7	3,767.4	0.0	3,767.4	(436.3)	(10.4%)
<b>Net Expenditures</b>	1,690.6	1,903.7	1,930.4	0.0	1,930.4	26.7	1.4%
<b>Approved Positions</b>	6.0	7.5	7.5	0.0	7.5	0.0	

\*2019 Budget and Actuals (based on Q3 2019) adjusted retroactively to remove interdepartmental charges and recoveries.

### COSTS TO MAINTAIN EXISTING SERVICES

**Total 2020 Base Budget** expenditures of \$3.767 million gross reflecting an increase of \$0.436 million in spending above 2019 projected year-end actuals, predominantly arising from:

- Impact of applying the new 2019 to 2024 collective agreement with the Senior Officers' Organization to Excluded and Board staff.
- The annualized cost of two new positions approved by City Council during the 2019 Budget process will be offset by a corresponding decrease in contribution to the Police Legal Liabilities Reserve.
- The Missing Persons Investigation Review, which is funded from the Tax Rate Stabilization Reserve is expected to span over 3 years, from 2018 to 2020, with largest portion of the costs budgeted in 2019. The expenditures are projected to be lower in 2020 than 2019, resulting in a decrease in gross expenditures and revenues.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in the Toronto Police Services Boards' 2020 Operating Budget do not have any significant equity impacts

**2020 STAFF RECOMMENDED OPERATING BUDGET KEY DRIVERS**

The 2020 Staff Recommended Operating Budget for Toronto Police Services Board is \$0.436 million gross or 10.4% lower than the 2019 Projects Actuals. Table 2a below summarizes the key cost drivers for the base budget, while Table 2b summarizes New and Enhanced requests

**Table 2a: 2020 Key Drivers – Base Budget**

Key Cost Drivers (\$000)	2018 Actuals	2019 Proj. Actuals	2020 Staff Rec'd Base Budget	Year over Year Changes	
				\$	%
<b>Expenditures</b>					
1 Salaries and Benefits	1,000.9	1,210.1	1,330.3	120.2	9.9%
2 Materials & Supplies	3.3	7.6	7.6	(0.0)	(0.6%)
3 Equipment	1.4	1.2	6.6	5.4	450.0%
4 Service and Rent	785.7	2,455.8	1,998.1	(457.7)	(18.6%)
5 Contribution To Capital					
6 Contribution To Reserves	529.0	529.0	424.8	(104.2)	(19.7%)
7 Other Expenditures					
<b>Total Expenditures</b>	<b>2,320.4</b>	<b>4,203.7</b>	<b>3,767.4</b>	<b>(436.3)</b>	<b>(10.4%)</b>
<b>Revenues</b>					
1 Provincial Subsidies					
2 Federal Subsidies					
3 User Fees & Donations					
4 Transfers From Reserves	629.8	2,300.0	1,837.0	(463.0)	(20.1%)
5 Other Revenues					
<b>Total Revenues</b>	<b>629.8</b>	<b>2,300.0</b>	<b>1,837.0</b>	<b>(463.0)</b>	<b>(20.1%)</b>
<b>Net Expenditures</b>	<b>1,690.6</b>	<b>1,903.7</b>	<b>1,930.4</b>	<b>26.7</b>	<b>1.4%</b>

\*2019 Q3 Proj Actuals and 2018 Actuals adjusted retroactively to remove interdepartmental charges and recoveries

**Salaries & Benefits:**

- In August 2019, the Board negotiated a new collective agreement with the Senior Officers Organization, and, at its meeting of October 22, 2019, approved a recommendation to ratify the same monetary settlement to Excluded staff, which includes members of the Board Office staff. As a result, the 2020 impact of the settlement, amounting to \$0.027 has been added to reflect the collective bargaining agreement.
- Budget impact includes \$0.104 million for the annualized impact of two staff positions approved during 2019.

**Contribution to Reserves:**

- The contribution to the Legal Reserve was reduced by \$0.104 million based on the analysis of historical spending levels made by the Board.

**Transfers From Reserves:**

- At its meeting on July 23 - 30, 2018, City Council approved up to \$3 million for the Missing Persons Investigations Review. The funds associated with the Review are fully funded by a one-time withdrawal from 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. The decrease in withdrawal from the reserve, reflects the remaining funds available to complete the review. Attached is the link to the report and decision:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.44>

**2021 & 2022 OUTLOOKS****Table 3: 2021 and 2022 Outlooks**

<b>(\$000s)</b>	<b>2019 Projected Actual</b>	<b>2020 Staff Rec'd Budget</b>	<b>2021 Outlook</b>	<b>2022 Outlook</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenues	2,300.0	1,837.0	500.0	500.0
Gross Expenditures	4,203.7	3,767.4	2,449.4	2,475.4
<b>Net Expenditures</b>	<b>1,903.7</b>	<b>1,930.4</b>	<b>1,949.4</b>	<b>1,975.4</b>
<b>Approved Positions</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>

\*2019 Q3 Projected Actuals adjusted retroactively to remove interdepartmental charges and recoveries

### Key 2021 drivers

The 2021 Outlook with total gross expenditures of \$2.449 million represents \$1.318 million, or 35%, decrease in gross expenditures over the 2020 Staff Recommended Budget based on the following:

- Impact of applying the 2021 portion of the collective agreement with the Senior Officers' Organization to Excluded and Board staff
- The Missing Persons Investigation Review is expected to end during 2020 and therefore the reserve funding will no longer be required in 2021, resulting in a decrease in gross expenditures and revenues.

### Key 2022 drivers

The 2022 Outlook with total gross expenditures of \$2.475 million represents \$0.026 million, or 1%, increase in gross expenditures over the 2021 Staff Recommended Budget based on the following:

- Impact of applying the 2022 portion of the collective agreement with the Senior Officers' Organization to Excluded and Board staff

# APPENDICES

## Appendix 1

## 2020 Staff Recommended Operating Budget by Expenditure Category

Category (In \$000s)	2017	2018	2019	2019	2020	2020 Change from	
	Actual	Actual	Budget	Projected Actual *	Total Staff Recommended Budget	2019 Projected	Actual
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
Federal Subsidies							
Other Subsidies							
User Fees & Donations							
Licences & Permits Revenue							
Transfers From Capital							
Contribution From Reserves/Reserve Funds	382.6	629.8	2,300.0	2,300.0	1,837.0	(463.0)	(20.1%)
Sundry and Other Revenues							
Inter-Divisional Recoveries							
<b>Total Revenues</b>	<b>382.6</b>	<b>629.8</b>	<b>2,300.0</b>	<b>2,300.0</b>	<b>1,837.0</b>	<b>(463.0)</b>	<b>(20.1%)</b>
Salaries and Benefits	885.8	1,000.9	1,199.4	1,210.1	1,330.3	120.2	9.9%
Materials & Supplies	7.2	3.3	7.6	7.6	7.6		
Equipment	6.0	1.4	6.6	1.2	6.6	5.4	450.0%
Service and Rent	468.5	785.7	2,461.1	2,455.8	1,998.1	(457.7)	(18.6%)
Contribution To Capital							
Contribution To Reserves/Reserve Funds	529.0	529.0	529.0	529.0	424.8	(104.2)	(19.7%)
Other Expenditures							
Inter-Divisional Charges							
<b>Total Gross Expenditures</b>	<b>1,896.5</b>	<b>2,320.3</b>	<b>4,203.7</b>	<b>4,203.7</b>	<b>3,767.4</b>	<b>(436.3)</b>	<b>(10.4%)</b>
<b>Net Expenditures</b>	<b>1,513.9</b>	<b>1,690.5</b>	<b>1,903.7</b>	<b>1,903.7</b>	<b>1,930.4</b>	<b>26.7</b>	<b>1.4%</b>
<b>Approved Positions</b>	<b>6.0</b>	<b>6.0</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>		

\* Year-End Projection Based on Q3 2019 Variance Report

\*\* Prior Year Budget and Actuals adjusted retroactively to remove interdepartmental charges and recoveries

## **Appendix 2**

### **Summary of 2020 Service Changes**

N/A

## **Appendix 3**

### **Summary of 2020 New / Enhanced Service Priorities Included in Budget**

N/A

## **Appendix 4**

### **Summary of 2020 New / Enhanced Service Priorities Not Included in Budget**

N/A

## **Appendix 5**

### **2020 Capital Budget; 2021 - 2029 Capital Plan Including Carry Forward Funding**

N/A

## **Appendix 6**

### **Reporting on Major Capital Projects: Status Update**

N/A

## **Appendix 7**

### **Summary of Capital Needs Constraints**

N/A

## **Appendix 8**

### **2020 User Fee Changes (Excludes User Fees Adjusted for Inflation)**

N/A

## Appendix 9

### Inflows and Outflows to/from Reserves and Reserve Funds 2020 Operating Budget

#### Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
			2020	2021	2022
		\$	\$	\$	\$
<b>Beginning Balance</b>		6,187.7	3,994.4	2,849.2	2,204.0
Police Legal Liabilities Reserve	XQ1901				
<i>Withdrawals (-) TPS</i>		(3,152.3)	(2,000.0)	(2,000.0)	(2,000.0)
<i>Withdrawals (-) TPSB</i>		(500.0)	(500.0)	(500.0)	(500.0)
<i>Contributions (+) TPS</i>		930.0	930.0	1,430.0	1,680.0
<i>Contributions (+) TPSB</i>		529.0	424.8	424.8	424.8
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>3,994.4</b>	<b>2,849.2</b>	<b>2,204.0</b>	<b>1,808.8</b>
<b>Balance at Year-End</b>		<b>3,994.4</b>	<b>2,849.2</b>	<b>2,204.0</b>	<b>1,808.8</b>

\* Based on 9-month 2019 Reserve Fund Variance Report

#### Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2019 *	Withdrawals (-) / Contributions (+)		
			2020	2021	2022
		\$	\$	\$	\$
<b>Beginning Balance</b>		90,349.3	88,946.3	59,557.2	57,742.3
Tax Rate Stabilization Reserve	XQ0703				
<i>Withdrawals (-)</i>					
<i>Missing Persons Investigations     Review</i>		(1,403.0)	(1,337.0)	-	-
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>88,946.3</b>	<b>87,609.3</b>	<b>59,557.2</b>	<b>57,742.3</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>(28,052.1)</b>	<b>(1,814.9)</b>	<b>(1,822.5)</b>
<b>Balance at Year-End</b>		<b>88,946.3</b>	<b>59,557.2</b>	<b>57,742.3</b>	<b>55,919.8</b>

\* Based on 9-month 2019 Reserve Fund Variance Report

## Appendix 10

### Glossary of Terms

**Approved Position:** Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

**Actuals:** An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

**Capacity to Spend:** Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

**Capital Budget:** A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

**Capital Needs Constraints:** The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

**Complement:** Positions that support the delivery of City services and service levels as approved by Council.

**Efficiencies:** Reductions in the cost of delivering a service without a reduction in service level.

**New / Enhanced:** New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

**Operating Budget:** An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

**Operating Impact of Completed Capital Projects:** The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

**Rate Supported Budget:** Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

**Staff Recommended Operating / Capital Budget:** An operating or capital budget recommended by City Manager and Chief Financial Officer and Treasurer to City Council for consideration and approval.

**State of Good Repair (SOGR):** The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

**Tax Supported Budget:** Budget funded by property taxes.

**User Fees:** Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).

**Value Based Outcome Review (VBOR):** The City conducted a Value Based Outcome Review in 2019 for all of its operations and agencies to identify specific opportunities and strategies to maximize the use of tax dollars, enhance its financial sustainability while achieving service outcomes. These opportunities will help the City chart its financial course in the next four years.