

This is an Extract from the *Draft Minutes* of the Virtual Special Public Meeting of the Toronto Police Services Board that was held on January 13, 2021

P2021-0113-3.1 Toronto Police Service – 2021 Operating Budget Request

The Board was in receipt of a report dated January 4, 2021 from James Ramer, Chief of Police.

Recommendations:

It is recommended that the Toronto Police Services Board (Board):

- (1) Approve the Toronto Police Service’s 2021 net operating budget request of \$1,076.2 Million (M), a 0% increase over the 2020 approved budget; and
- (2) Forward this report to the City’s Budget Committee for consideration and to the City’s Chief Financial Officer and Treasurer, for information.

The following motion was moved and a recorded vote was held.

Motion

- (1) Approve the Toronto Police Service’s 2021 net operating budget request of \$1,076.2 Million (M), a 0% increase over the 2020 approved budget, with the exception of any proposed budget allocation for items involving Rogers Communications Inc.; *(Approved)*

Result: Approved	
Yes: 7	Jim Hart (Chair), Frances Nunziata (Vice-Chair), Mayor John Tory, Councillor Michael Ford, Marie Moliner, Ainsworth Morgan and Lisa Kostakis
No: 0	
Abstain:0	

- (2) Approve the Toronto Police Service’s 2021 net operating budget request with respect to all items involving Rogers Communications Inc.; and, *(Approved)*

Result: Approved	
Yes: 6	Jim Hart (Chair), Frances Nunziata

	(Vice-Chair), Councillor Michael Ford, Marie Moliner, Ainsworth Morgan and Lisa Kostakis
No: 0	
Abstain:1	Mayor John Tory

(3) Forward this report to the City’s Budget Committee for consideration and to the City’s Chief Financial Officer and Treasurer, for information. (Approved)

Result: Approved	
Yes: 7	Jim Hart (Chair), Frances Nunziata (Vice-Chair), Mayor John Tory, Councillor Michael Ford, Marie Moliner, Ainsworth Morgan and Lisa Kostakis
No: 0	
Abstain:0	



Toronto Police Services Board Report

January 4, 2021

To: Toronto Police Services Board

From: James Ramer, M.O.M.
Chief of Police

Subject: Toronto Police Service – 2021 Operating Budget Request

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Recommendation(s):

It is recommended that the Toronto Police Services Board (Board):

- (1) approve the Toronto Police Service’s 2021 net operating budget request of \$1,076.2 Million (M), a 0% increase over the 2020 approved budget; and
- (2) forward this report to the City’s Budget Committee for consideration and to the City’s Chief Financial Officer and Treasurer, for information.

Overview

This budget is a reflection of the direction set out by the Board, through the police reform roadmap, and informed by public input and feedback. The Toronto Police Service (Service) has been on an ongoing journey to transform, modernize and reform. We will continue to listen and ensure the budget reflects community safety priorities, while delivering policing services required of a world class and growing city.

The Service’s 2021 operating budget request is \$1,076.2M (\$1,229.5M gross), which is \$0M or 0% above the 2020 approved budget. This is a fiscally responsible budget that is responsive to police reform, the public safety needs of the community, as well as the unprecedented financial pressures faced by the City of Toronto (City) as a result of the COVID-19 pandemic.

Doing More, Without Asking for More

One of the Service’s priorities in the development of this budget request was to do more without asking for more. Accordingly, the Service will be making significant enhancements to community safety and priorities that are important to the City by reallocating and reprioritizing existing resources. Specifically, the Service disbanded its Priority Response Group and reallocated officers from that program as well as those assigned to schools, to priority response as well as the following key areas:

- **Mobile Crisis Intervention Teams:** Expansion of the persons in crisis response through the deployment of 11 additional Mobile Crisis

Intervention Team officers to Priority Response units across the City, increasing coverage from 10 hours a day to 24 hours, 7 days a week, starting in the first quarter of 2021;

- **Crisis Call Diversion Program:** A proof of concept initiative that places community crisis workers in our 911 communication centre, to help divert calls to a community agency where police response is not required, thereby avoiding the police having to attend the calls and emphasizing de-escalation approaches to crisis calls where appropriate;
- **Neighbourhood Community Officers:** Continued commitment to expand the Neighbourhood Community Officer program by up to 10 additional neighborhoods;
- **Road Safety and Vision Zero:** A fully dedicated team of 18 officers focused on road safety and Vision Zero priorities;
- **Gun & Gang Prevention:** An increase of four specialized officers dedicated to a gun and gang prevention team focused on reducing gang membership and violence through an approach focused on education, prevention, intervention and suppression activities in partnership with impacted communities; and
- **Hate Crimes:** An additional two officers dedicated to preventing hate crimes, increase investigative capacity, and positively influence the relationship between the Service and vulnerable communities.

Police Reform

The Service is also committed to working with the Board, the City and other key stakeholders to implement the 81 recommendations for police reform aimed at improving public trust, community relationships and accountability, while delivering public safety services in the most efficient and effective manner. Implementation costs for police reform initiatives will be funded from the Service's modernization reserve and as a result, no additional funds have been added to the Service's budget for this vital and ongoing work.

Starting 2021 Budget Pressure and Achieving a 0% Increase

Achieving a fiscally responsible and community safety responsive budget required the Service to address a starting budget pressure of \$46M. This was accomplished by reallocating and reprioritizing existing resources, absorbing cost pressures and identifying bridging strategies. While careful consideration was given before undertaking the difficult work and making the key decisions required to achieve a 0% budget, this request comes with additional operational pressures and risks that will be actively monitored. Despite these real costs in 2021, in a city that continues to grow and increase its demand for public safety services, the Service has come forward with a proposed 2021 budget that reflects a 0% increase over last year and includes enhancements to priority services.

Financial Implications:

The table below summarizes the 2021 budget request by category. The budget development process, specific inclusions and year-over-year changes will be discussed in more detail in the *2021 Budget Details* section of this report.

Table 1- Summary of 2021 Budget Request by Category

Budget	2020 Budget \$Ms	2021 Request \$Ms	\$ Increase / (Decrease) over 2020 Budget	% Increase / (Decrease) over 2020 Budget
2020 Net Budget - \$1,076.2M				
(a) Salary Requirements	\$816.3	\$808.1	(\$8.2)	(0.8%)
(b) Premium Pay	\$49.6	\$48.0	(\$1.6)	(0.1%)
(c) Statutory Deductions and Benefits	\$219.7	\$224.7	\$5.0	0.5%
(d) Reserve Contributions	\$50.5	\$45.5	(\$5.0)	(0.5%)
(e) Other Expenditures	\$85.1	\$86.1	\$1.0	0.1%
(f) Revenues	(\$145.0)	(\$153.3)	(\$8.3)	(0.8%)
(g) Collective Agreement Impacts		\$17.1	\$17.1	1.6%
Net Budget Request	\$1,076.2	\$1,076.2	\$0.0	0.0%

Background / Purpose:

The purpose of this report is to seek approval from the Board for the level of funding required by the Service in 2021 to enable and support our commitment and obligation to community safety, reform and modernization.

Discussion:

A Budget Focused On Police Reform: Trust, Accountability and Modernization

Mission and Goals

The Service is obligated, under the Police Services Act (P.S.A.) to deliver adequate and effective police services. This must include, at minimum, the following services, with examples to help illustrate how the Service meets these requirements:

- crime prevention - e.g. gang prevention strategy, community policing
- law enforcement - e.g. responding to 911 calls, patrolling, making arrests, traffic enforcement and investigating crimes

- assistance to victims of crime - e.g. human trafficking section, Child Youth and Advocacy Centre
- public order maintenance – e.g. presence at demonstrations, parades and other public events
- emergency response – e.g. emergency task force and responding to extreme events

The City of Toronto requires a modern, transparent and accountable police service that is committed to delivering these essential community safety services and that:

- is trusted by the public and is present when the public needs us the most. Torontonians expect that when they call 911, their call will be answered and our officers will be there to protect them and their loved ones;
- embraces community relationships and partnerships to create safe communities; and is committed to maintaining and further building those relationships in a spirit of partnership and reconciliation;
- is focused on the complex needs of a large city: our members are expected to receive world-class training, with the latest practices around de-escalation, mental health and delivering policing in a bias-free manner to our diverse communities; and
- is enabled by data and technology to deliver intelligence-led and effective public safety services as efficiently as possible.

Our vision, informed by data, research and experience, is to be an intelligence-led Service that aims to achieve a balance of proactive and reactive policing; is technologically advanced; and is properly resourced by a team of dedicated officers and civilians - the kind of progressive policing that a growing city needs.

The Service’s transformation efforts have been an ongoing journey over the last number of years. Guided by the Board and City Council recommendations, the Service and Board have begun to implement policing reforms that are reflected in the priorities of the 2021 budget.

Police Reform in Toronto

On August 18, 2020, the Toronto Police Services Board unanimously approved 81 comprehensive recommendations that establish a roadmap for ongoing police reform in Toronto (*‘Police Reform in Toronto: Systemic Racism, Alternative Community Safety and Crisis Response Models and Building New Confidence in Public Safety’*). The approved recommendations are categorized by the following themes:

1. Alternative Community Safety Response Models
2. Police Budget and Budgetary Transparency

3. Independent Auditing and Service Accountability
4. Chief Selection Criteria
5. Data Sharing and Information Transparency
6. Conduct Accountability
7. Police Training
8. Consulting with Experts and Communities
9. Building Public Confidence
10. Ensuring Change

The Service is committed to absorbing the cost of implementing the reform initiatives. More information on the progress made in relation to the police reform initiatives can be found on an interactive and updated dashboard that tracks the Board's and Service's work: <https://www.torontopolice.on.ca/tpsb-reform-implementation/>

Ongoing Modernization

In addition to police reforms, the Service is continuing to modernize, based on the recommendations contained in The Way Forward report. The premise of this report was for the Service, enabled with technology and data, to place the right resources, in the right places and at the right times, to deliver policing in a responsive and accountable manner.

Recommendation themes reflected in the Service's ongoing modernization efforts include:

- greater emphasis on crime prevention and reducing victimization by enhancing police presence in the community as part of a neighbourhood-focused strategy;
- focusing on core policing services and through partnerships, implement alternate service delivery options, where appropriate;
- technology and data enablement to:
 - increase officer mobility (Connected Officer program),
 - analytics for improved decision support, investigative efficiencies and crime prevention
 - greater automation and digitization of work to increase efficiencies; and

- emphasis on our members through comprehensive culture change, transformation of corporate support functions and continued civilianization of uniform positions where appropriate.

The Service has completed many of the recommendations outlined in The Way Forward report including the achievement of over \$100M+ in savings/efficiencies, implementation of the Connected Officer program, and the return of two facilities to the City. Moreover, the administration of the Lifeguard and Crossing Guard programs has been transitioned to the City. The proposed budget includes resources to continue modernizing and improving public safety service delivery effectiveness and efficiency.

Enhancing Services and Doing Things Better

The 2021 budget builds on investments made in prior years, and refocuses the Service's existing resources towards priority programs.

These investments and reallocations are required in order to meet the needs of a growing and complex city. The challenges in 2021 are further complicated by the impacts of the COVID-19 pandemic. In addition, the nature of crime and policing is evolving and continues to become more complex. This necessitates the need to continually revisit how resources are utilized and prioritized to ensure the allocation is value added and most effectively contributes to public safety.

This budget includes funds to serve Toronto better. It supports services that will make a difference in the lives of Toronto's communities, residents and visitors.

The proposed budget includes the following program priorities, and reflects service enhancements, a focus on our people and continued commitment towards past investments.

Service Enhancements to Priority Community Safety Areas (without asking for more funds):

- **Crisis Call Response Model including the Mobile Crisis Intervention Team (M.C.I.T.):** The Service has expanded the number of M.C.I.T. Officers from 17 in 2020 to 28 officers. Officers are also receiving enhanced mental health related training. The Service is also working on initiating a proof of concept, placing crisis workers from a community agency in our 911 communications centre, in an effort to divert non-urgent and non-life threatening calls to an alternative non-police response. Combined, these efforts result in a 24-hour person in crisis response coverage from the current coverage of 10 hours.
- **Neighbourhood Community Officers:** the continued expansion of the Neighbourhood Community Officer Program from the existing 33 neighbourhoods by up to an additional ten neighbourhoods.

- **Road Safety:** A dedicated team of 18 officers to the Vision Zero Road Safety Program. The expanded team will work closely with all divisions in addressing local community driving complaints, enforce traffic offences, support local road safety initiatives, as well as conduct town hall meetings to discuss matters of traffic safety.
- **Combatting Guns and Gang Crime:** Dedicated gang prevention team of five officers (increased from one) seeking to reduce gang membership and violence through an approach focused on education, prevention, intervention and suppression activities in partnership with impacted communities.
- **Greater investigative capacity:** additional officers to focus on preventing and investigating hate crimes as well as making permanent a centralized shooting response team for greater coordination to address/investigate all shooting occurrences in the City.

Wellness, Development and Training of our People:

- **Training and Development:** The training requirements for cadets, as well as current members, include enhanced leadership, anti-racism, mental health and other human rights related training.
- **COVID-19:** Additional efforts have been put in place for the health and safety of the Service's 7,000+ members including personal protective equipment, workplace reconfiguration, and enhanced cleaning standards.
- **Wellness:** Ongoing development and starting the implementation of a wellness strategy for members

Building on Previous Years' Investments:

- **Priority Response Officers:** dedicating sufficient officers for Priority Response Units (P.R.U.) across the City, as part of the new and more efficient and effective shift schedules, to address increases in calls for service and maintain adequate response times. The goal remains to achieve a 70/30 reactive/proactive service model, in line with recognized international standards; increasing the time for more proactive policing and the amount of time our P.R.U. officers can spend connecting with the community.
- **Equity, Inclusion and Human Rights Positions:** furthering the objectives of leveraging equity and inclusion practices to build a strong workplace culture and community partnerships in a globally diverse city.
- **Body Worn Camera Program:** complete the implementation of the body worn cameras that will further the Service's efforts to enhance public trust and accountability.

- **Modernization:** technology and intelligence led efforts will continue to find efficiencies in the Service's operating model. Examples included in the 2021 budget are a video bail project to reduce prisoner transportation and officer time in court, and expanding the scope of online reporting.

Increasing Public Safety Demands of a Growing City

Despite budget containment and capacity building efforts over the past several years, the Service's operating environment continues to be influenced by demands for policing services, increasing workload, and driving the need for more resources. Specifically, the impacts of the following factors are described further below:

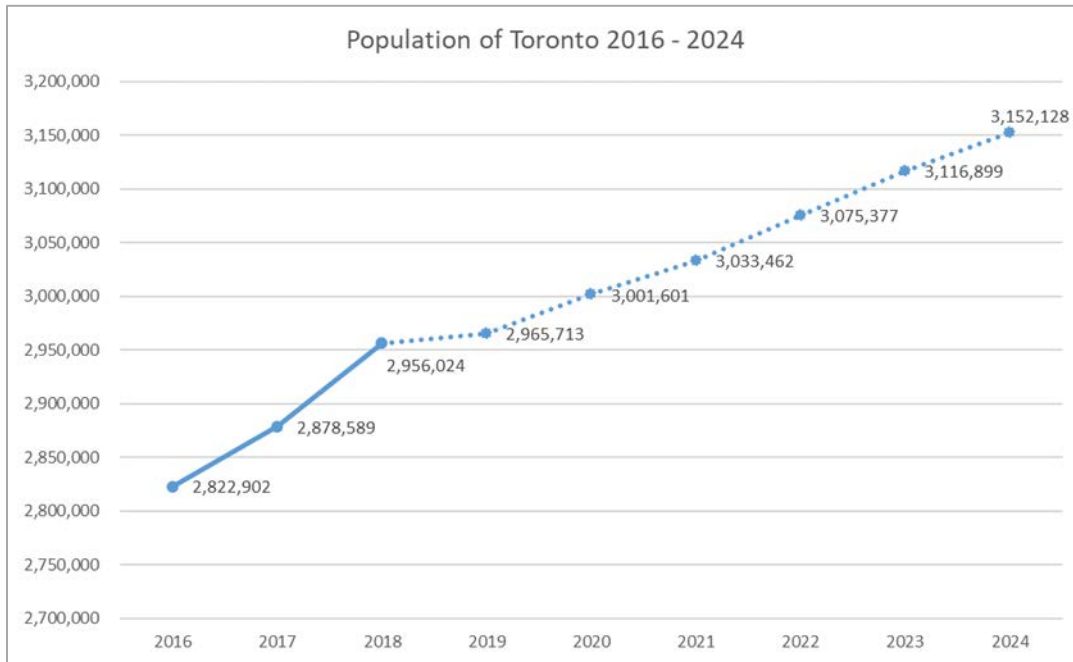
- Rising urban population
- Trends in major crime, including gun and gang activity and shootings
- Increase in persons in crisis calls
- Increasing time spent on calls and investigations
- Legislative impacts
- COVID-19 pandemic impacts

Rising Urban Population

A growing city means more calls to 911, more traffic, more potential for crime and more city events that require police presence.

The City of Toronto is growing at an exceptional pace. According to a report in June 2020 by Ryerson University's Centre for Urban Research and Land Development, when comparing population growth in metropolitan areas and major central cities in Canada to the United States, Toronto was the fastest growing city. This growth is expected to continue. As illustrated in the figure below, by 2024, Toronto's population is projected to be close to 3.2 million people (Source: Statistics Canada estimates, 2019, and Ontario Ministry of Finance Projections).

Figure 1 – Toronto Population Growth



While population growth is not the only reason for increases in crime and calls for service, there is a direct relationship between the growing number of residents and an increase in demands for municipal services, including policing.

Furthermore, there is an additional demand on most municipal services due to the millions of people who come into the City to work and visit. As the population and number of visitors increase, so do the total number of calls for service which have increased approximately 7.6% from 2016 to 2019, while emergency calls for service were 18% higher for the same time period.

Population growth and urban densification also had an impact on traffic throughout the region, with implications for police services. Congestion has an impact on travel time in responding to calls for service and there was an increase of 18.8% in traffic collisions from 2016 to 2019.

Trends in Major Crime

The Service is dedicated to delivering policing services in partnership with communities, to help ensure Toronto is one of the best and safest cities in the world. It uses seven major crime indicators as a measure of safety. The degree to which a city is considered safe, in turn, impacts quality of life, entertainment, economic development, business investment and tourism. Consequently, it is important that the police service is properly funded to enable the provision of adequate and effective public safety services, and keep the City safe.

As outlined in the table below, most major crime indicators increased from 2016 to 2019. The 2020 experience indicates lower crime in most categories. However, shooting incidents and persons in crisis calls persisted.

Current year crime trends need to take into consideration crime rates of previous years because active cases can create investigative and court related workload for years to come.

Table 2 – Major Crime Indicators

Major Crime Indicators						
	2016 FY	2019 FY	% Change 2019 over 2016	2019 YTD	2020 YTD	% Change 2020 YTD over 2019 YTD
Assault	18,456	20,455	10.8%	17,111	14,944	-12.7%
Auto Theft	3,262	5,207	59.6%	4,268	4,595	7.7%
Break and Enter	6,388	8,401	31.5%	6,941	5,742	-17.3%
Homicide	74	78	5.4%	59	61	3.4%
Robbery	3,602	3,429	-4.8%	2,862	2,410	-15.8%
Theft Over	1,023	1,358	32.7%	1,113	993	-10.8%

Note: Data from Public Safety Data Portal as of October 25, 2020 and may change based on investigations and reporting dates.

Shooting Incidents:

Shooting incidents in the City continue to be a cause for concern for the Service and the community. In 2019, there were 492 incidents of firearms discharged in Toronto, resulting in 284 victims (fatalities and injuries).

These shooting calls are a major concern for public safety. However, they also cause pressures on our resources, front line and investigative, including the ability to promptly and properly address other calls for service. In order to increase investigative effectiveness, included in the 2021 budget is a dedicated centralized shooting response team that has central oversight and carriage of all shooting investigations in the City.

Gun and Gang Violence:

Community safety has been impacted by the rise of gun and gang activity in the City. Based on a four-year commitment from the Province, the Service is receiving \$4.9M this year to fund enhanced gun and gang prevention and suppression initiatives.

In addition, the 2021 budget absorbs resources dedicated specifically towards gang prevention efforts, by reducing gang membership and violence through education, prevention, intervention, and suppression activities, in partnership with impacted communities and other key stakeholders.

Increase in Crisis Calls (Opioids and Mental Health)

The nature of calls for service has also been changing. Specifically, from 2016 to 2019, the calls for service involving persons in crisis increased by 20.5%, and the calls for service involving an overdose increased by 66.4%. Calls in regard to a person threatening suicide increased by 33.4% and by 61.1% for a person attempting suicide. The trend for calls for service involving a person in crisis continues to increase.

Compared to other types of calls for service, person in crisis calls require more time to enable de-escalation and other approaches aimed at resolving the call in a manner that keeps everyone – the individual, other members of the public, and our members – safe. These calls also require highly coordinated partnerships with community stakeholders and mental health experts.

The Mobile Crisis Intervention Teams are a collaborative partnership between hospitals and the Service. This program partners a mental health nurse and a specially trained police officer to respond to situations involving individuals experiencing a mental health crisis. The 2021 budget will absorb the expansion of these resources from 17 officers to 28 officers. In addition, the Service is working on initiating a proof of concept that places third party crisis workers from a community agency in the Service's 911 communications centre in order to divert non-urgent and non-life threatening crisis calls to a non-police responder. The Service will pay for the entire cost of this crisis call diversion initiative from within its budget without any increase to its 2021 budget. Other alternative service delivery efforts for crisis calls are also being explored in collaboration with the City.

Increasing Time Spent on Calls and Investigations

The time required to attend a call is increasing. The Service spent 8% more time on calls, on average, in 2019 than in 2016. Calls for persons in crisis take more time due to the care needed to de-escalate the situation safely. Moreover, time spent on calls has grown due to increasing time spent to gather evidence (due to growth in technology) and extensive administrative responsibilities.

Investigations have also become more complex, as a result of time consuming applications for assistance orders, search warrants and other forms of judicial authorization, as well as detailed review of cellphone transcripts and closed circuit television (C.C.T.V.).

Legislative Impacts

A number of relatively new legislative requirements will continue to impact the Service in 2021. These include: presumptive Post Traumatic Stress Disorder (P.T.S.D.) legislation; Next Generation 911; the 2016 R. v. Jordan decision on trial within a reasonable period; and disclosure of "911 tapes" decision (R.v.M.G.T, 2017). Each of these legal requirements represents additional cost and/or resource pressures for the Service.

After the enactment of cannabis legislation in October 2018, the Service developed a framework for measuring and tracking the impact of cannabis legalization on the

Service. These activities include, but are not limited to targeting illegal dispensaries; training; and processing and destruction of seized cannabis. The 2021 budget assumes that recoveries, including a draw from the City's Cannabis legislation reserve will help offset the Service's cannabis related costs.

COVID-19 Pandemic Impacts

Since mid-March, the COVID-19 pandemic has impacted how the Service conducts its operations and has altered demands for service. Internal operational adjustments as well as an altered demand for service have had both positive and negative impacts on the Service's budget. The 2021 budget assumes the COVID-19 pandemic will continue to influence the Service's operating environment until mid-year 2021, and that the second-half of 2021 will experience a gradual return to normal operations.

Changes in demand for service and therefore workload include:

- Most courts were shut down so the Service faced lower premium pay pressure for in-person Court attendance;
- Special events were cancelled resulting in lower premium pay, as well as a reduction in paid duty requests that resulted in less administration fee revenue to the Service;
- Greater enforcement effort associated with new and constantly evolving COVID legislation and by-laws;
- Emergency calls for service were lower this year, decreasing 6.1% over the same time last year. Most major crime rates are also lower in 2020. This is likely due to the City's pandemic response leading to fewer commuters, minimal tourism, and tighter mobility and economic related restrictions; and
- Comparing 2019 October to 2020 October, collisions decreased by 45.1% year to date.

COVID-19 related impacts to how the Service operates include:

- Service facilities have been closed to the public with select areas recently moving to an appointment based model (e.g. property and evidence unit);
- Due to the public-facing nature of the Service's role, members with possible exposure to COVID-19 have had to self-isolate. The self-isolation of members suspected and confirmed to have COVID-19 resulted in resource constraints on the Service, offsetting the capacity that could have existed due to lower demand for service in some areas;
- Increase in costs associated with personal protective equipment, the enabling of remote work, the updating of facilities to enable social distancing, and enhanced cleaning measures; and

- New social distancing rules have been created that require enforcement.

Specific financial impacts are further described in the 2021 Budget Details section of this report, under the revenue sub-section.

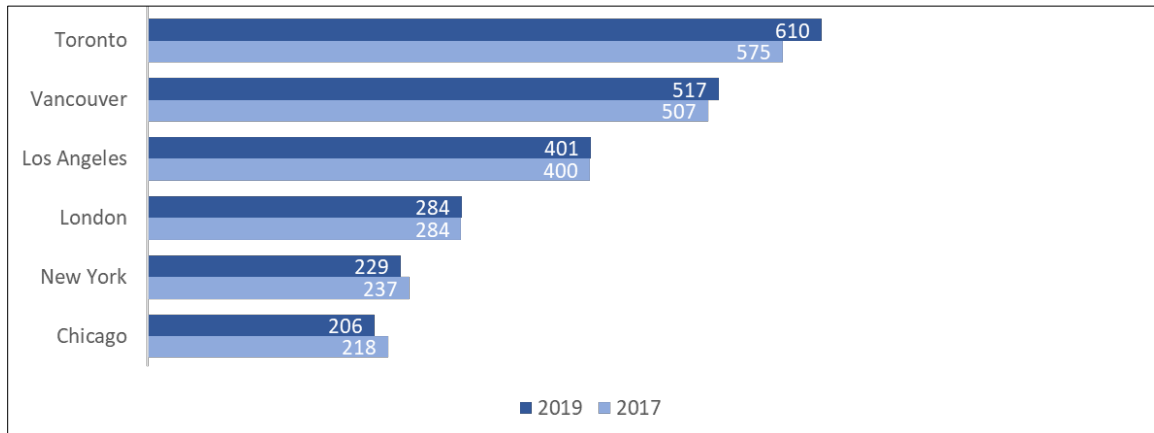
Policing is About People

Policing is about the effective and efficient, strategic deployment of people, and ensuring their work and activities are value-added and contribute to making and keeping Toronto a safe city. With a budget that is over 89% people-related costs, the Service has made significant staff reductions and has innovated to increase capacity and optimize its workforce for the best possible public safety service delivery.

Population Served Per Officer

Due to the decline in the number of uniform officers alongside the increased population growth of the City, the population served per officer increased from 2017 (575) to 2019 (610). In addition, the figure below shows that in 2019 Toronto had a significantly higher rate of population served per uniform officer, as compared to other large, urban police services. (*Source: Toronto Police Service 2019 Annual Report; U.S. Department of Justice - Federal Bureau of Investigation - Criminal Justice Information Services Division and Officer Strength from Metropolitan Police Management Information Study Workforce Data Report*).

Figure 2 – Population Served Per Officer



The Service continues its efforts to build capacity to deliver proactive, community-based crime prevention services. These efforts are continually challenged as a result of resource constraints and growing calls for service.

The Service has adopted new shift schedules for most divisions with the goal of moving closer to a 70/30 reactive/proactive model. In addition, as part of police reforms, the Service is also working with the City to identify alternative service delivery such as the response to persons in crisis.

As a result of current and future vacancies, overtime is being used to ensure that critical work is being completed. This reliance on premium pay is causing member burnout. The lack of capacity due to staffing shortages is also causing delays in implementing projects and new initiatives to enable modernization.

Reduced staffing levels, increasing calls for service and an active reform agenda are putting significant strain on operations and staff in many areas. Efforts are being made to fill critical civilian vacancies, transition to a new service delivery model, and continue implementing new shift schedules that will assist in meeting frontline demands.

Moreover the Service is developing a wellness strategy for its members.

A key aspect of that strategy is to endeavor to ensure that we have a resilient and supported workforce.

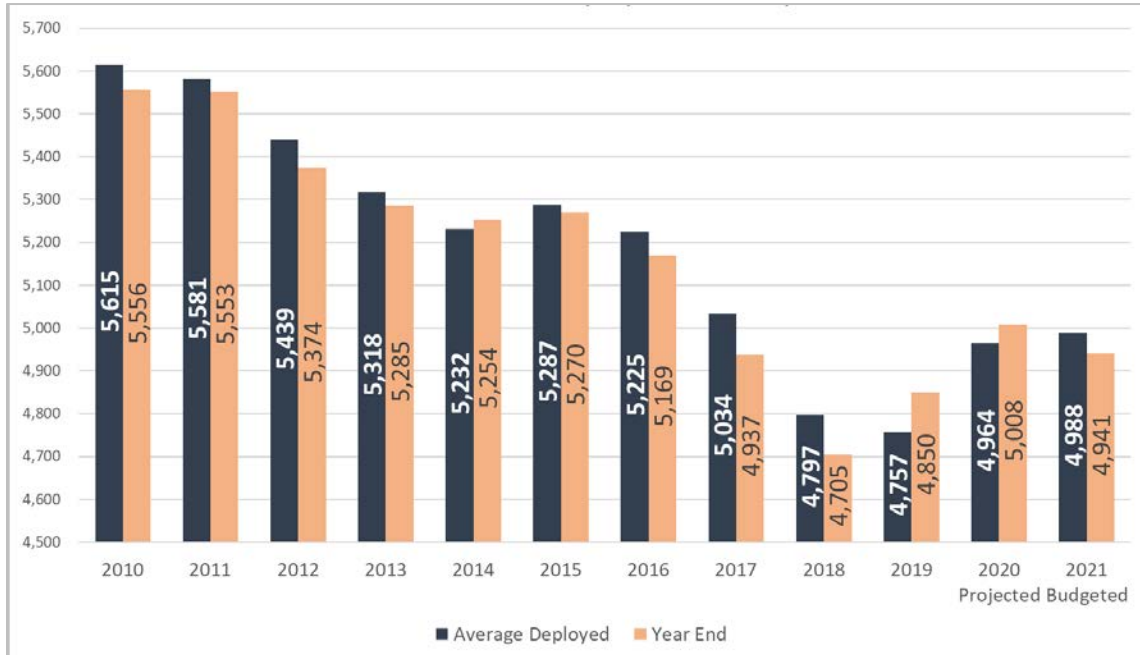
Sustained Reduction of 400 Positions and Civilianization

Over the past ten years, and in particular during the hiring moratorium of 2016 – 2017, the Service made significant reductions to the staff complement, in order to achieve sustainable savings. Since 2010, more than 400 positions have been reduced.

The 7,796 positions at the end of 2010 (5,556 uniform and 2,240 civilian), compared to 7,388 positions (4,988 uniform and 2,400 civilian) funded in the

proposed 2021 budget show a staffing level decrease of 408. Over this period, uniform staffing levels have decreased by 568 and civilian staffing levels have increased by 160. The increase in number of civilian positions is primarily due to civilianization efforts (e.g. district special constables and crime analysts) that had an offsetting reduction in the uniform average deployed strength, as well as an increase in the number of 911 Communication Operators to help meet response standards.

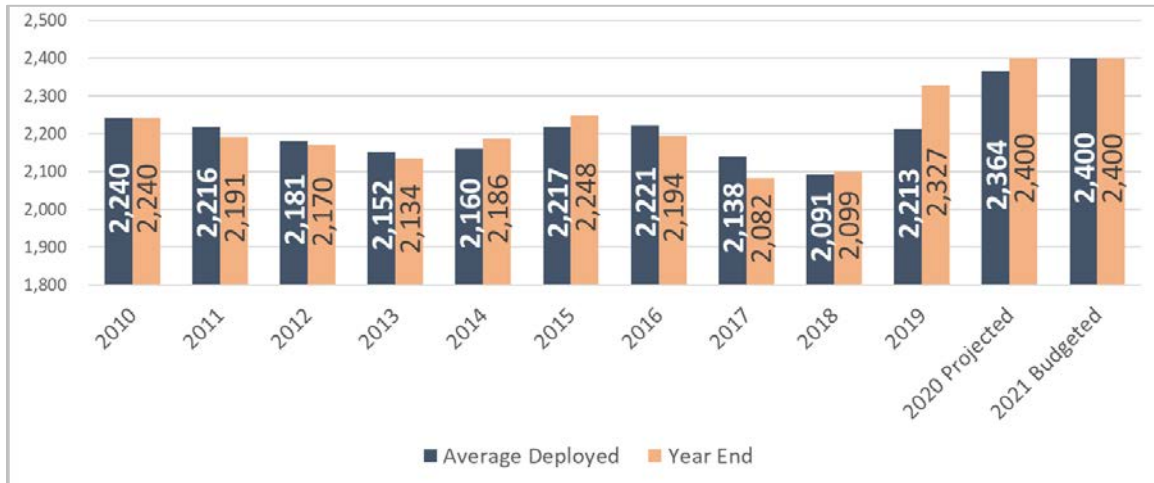
Figure 3 – Uniform Deployment History 2010 - 2021



As the number of deployed officers decreased, the Service has had to rely heavily on premium pay to help ensure public safety was not compromised. This overreliance on premium pay is not fiscally sustainable and the additional hours worked leads to employee fatigue and burn out.

The new shift schedules aims to maintain adequate staffing levels towards priority response, taking into consideration the 70/30 reactive/proactive model that is aligned to international policing standards. Staffing levels and the shift schedules will continue to be analysed in 2021.

Figure 4 – Civilian Deployment History 2010 - 2021



It is important to note that civilians in the Service represent public facing/frontline, direct operational support as well as administrative resources. As the table below indicates civilian staffing levels have increased only in public-facing and direct operational support roles. This is mostly as a result of civilianization, additional Communication Operators to meet response standards, and specialized priority areas such as Employment Equity and Human Rights. The administrative cadre has remained flat, representing a Service that is constantly seeking to maintain a lean and efficient administrative footprint.

Table 3 – Civilian Composition

CIVILIAN COMPOSITION	2021 Approved Positions		2017 Approved Positions	
	Staff	% of total	Staff	% of total
■ Court Officers	577		632	
■ Bookers	73		85	
■ Station Duty Operators	84		104	
■ Communications Operators	305		264	
■ Special Constables	136		-	
■ Crime Analysts	32		-	
■ CISU	17		-	
Direct Support	1,224	48%	1,085	44%
■ Divisions, Detective, Operational units - support staff	441		467	
■ Property and Video Evidence Manager	60		63	
■ Fleet Mechanics and Support staff	103		114	
■ Information Technology Services	193		188	
■ Strategic Management and Governance	20		22	
■ Records Management	232		255	
Total Indirect Support	1,049	41%	1,109	45%
■ Other - Finance, H.R., Prof. Standards, etc.	263	10%	247	10%
TOTAL	2,536		2,441	

0% for the Third Time in Five Years

The proposed 2021 operating budget represents the third time the Service has achieved a 0% increase in the last five years. In 2017 and 2018, the Service held its operating budget at a 0% increase as well. In 2019 and 2020, the budget increase was 3.9% in both years, driven mainly by collective agreement increases as well as required key investments for modernization. This proposed budget is built on absorbing those costs while still delivering the policing service required of this world-class city.

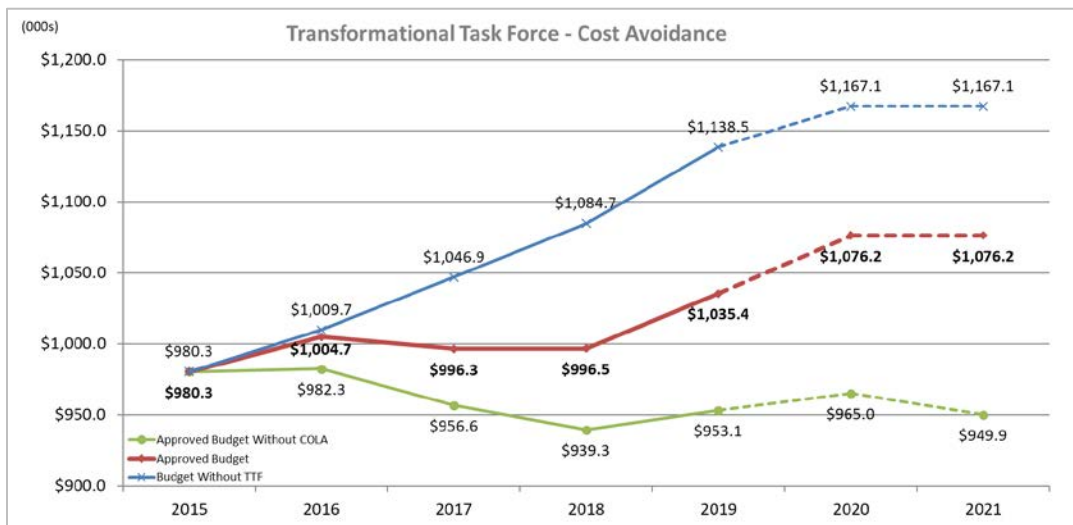
The 2021 operating budget request is constrained, reflecting an understanding of the current fiscal environment within the City as a result of COVID-19, and the public’s call for police reform.

This budget should also be reviewed and considered in the context of the actions taken in the last ten years to improve the affordability of the services delivered. As reflected in Appendix A, over the ten year period, the consumer price index increased by 20.8%. The Service’s cumulative budget increase over the same period was 19.6%.

Guided by The Way Forward report, the Service also implemented alternative service delivery approaches in some areas to refocus and make better use of its existing resources. Through the 311 diversion program, expansion of online reporting, improved processes, additional civilianization of some roles and the improvement of officer distribution, cost savings and avoidance have been achieved, with the goal of creating an affordable and sustainable service.

The figure below illustrates where the Service’s net budget level could have been without the efforts taken to date, relative to the actual budget increases received, and factoring in the collective agreement obligations.

Figure 5 – Service Budget, Pre and Post Transformation



The Board and Service have been modernizing and have now begun the important work of ongoing reform. These efforts, being undertaken in partnership with Toronto's diverse communities, will assist in continuing to bend the cost curve that is natural in a function that relies on people, while still delivering the policing service required of a growing, world-class city.

2021 Budget Details

This budget aims to do more, without asking for more, by changing the way the Service delivers public safety services.

Budget Direction, Development and Approval

Budget Modernization

Recent events have brought greater demands for transparency and accountability with respect to the Service budget and the public safety services provided.

One of the outcomes of implementing the police reform recommendations is to identify and implement opportunities that result in a more effective, efficient, affordable and financially sustainable public safety response model. Another critical outcome related to reform is gaining greater public confidence and trust in the Service, which in turn will create increased cooperation and partnerships and improved public safety.

Budget modernization is critical to supporting the achievement of both outcomes.

The City of Toronto is in the midst of a multi-year budget modernization initiative, which began in the 2020 budget process, and is intended to drive greater accountability for decisions, increase budget transparency and be more comprehensible. The Service will follow a similar path, and strive for a multi-year, service and outcomes based, transparent budget. Based on the City's timelines, the Service's budget is expected to evolve as follows:

- Year 1 – 2 (now):
 - The focus is on simplifying the budgeting processes and conducting planning and scoping activities
 - Increase budget transparency through augmented line-by-line and other budget disclosures
- Year 3 - 4:
 - Foundations for multi-year budgeting and service-based budgeting
 - Transition to service-based budgeting, articulating the value of services to the public in simple, clear language

Budget Development

In the second quarter of each year, the Service's Budget & Financial Analysis Unit begins to develop the capital and operating budgets for the next year. The development of the budget is guided by the Service's strategic goals and priorities, as well as the City's directions and guidelines.

The 2021 budget was developed through review and discussion at the Command level, and with the following principles in mind:

- contain costs to an absolute minimum;
- find efficiencies and opportunities to reallocate existing resources towards priority areas;
- absorb any new pressures;
- no new initiatives unless required by legislation, saves money or increases revenues;
- align any budget reductions or investments with corresponding adjustments to the programs and services we deliver;
- execute on the police reform initiatives and continue to modernize; and
- reflect the public safety priorities of Torontonians.

Using the approved 2020 budget as the starting point, a number of actions were taken to develop the proposed 2021 budget. These included:

- reviewing service objectives, staffing requirements and related trends (uniform and civilian) to determine the minimum level of staffing required to meet the Service's mandate and obligations;
- reviewing historical spending trends, line-by-line, and identifying opportunities to reduce funds that were historically underspent;
- reducing certain discretionary spending and using a zero-based budgeting approach to non-fixed requirements; and
- planning for the funding of expected contractual cost increases from within existing budgets by decreasing the budget in other accounts where possible.

Preliminary budget requests were reviewed throughout the budget development process, with the Command, as well as with Board and City representatives. These reviews resulted in adjustments to the budget, as new information became available, and as requirements and cost savings opportunities were identified. The result of the efforts throughout the budget process was the identification of over \$46M in mitigating actions that resulted in flat-lined 2021 operating budget request – a 0% increase over 2020.

Community Engagement

The budget was developed, taking into consideration community feedback that was received over the course of 2020 through a number of avenues including:

- participation and engagement at Board and Service hosted forums such as the Board's August 2020 virtual town halls; race-based data information sessions; Community Policing Conference with the Service's Community Consultative groups, and monthly Board meetings;
- participation in policing and community safety related surveys conducted by the Service; and
- email correspondence following the publishing of the enhanced 2020 budget disclosure.

In response to the community's feedback, greater emphasis has been placed on the effective communication of the 2021 budget through the use of social media, videos, illustrative content and the posting of a line-by-line budget. Budget material related to the 2021 budget as well as previous year's budgets can be found at: <http://www.torontopolice.on.ca/budget/>

Balancing Actions

Significant balancing actions have been taken to accommodate \$46M of budget pressures, while augmenting services that are a priority for the Service and the Board and for the safety of the City, and at the same time achieve a fiscally constrained budget:

- **Reduction of 140 funded positions (\$18.8M in savings)** – This includes 90 civilians and 50 uniform positions, representing approximately \$18.8M in savings and cost avoidance. In 2021, the average number of uniform officers will be 50 officers less compared to 2020 (from 5,038 to 4,988). The Service will continue to hire to replace some of the officers that separate, and use premium pay where needed, in order to maintain appropriate service levels and augment priority areas. The Service will hire civilians based on strategic priority and operational criticality. This will increase the number of civilian positions kept vacant by 90 positions, from 46 to 136 positions, representing a 5.5% vacancy rate from 2,536 approved positions.
- **Reductions to Contributions to Reserves of \$10.3M** - This is a temporary financial strategy only, based on an assessment of the current health of the reserves. This will create a large budget pressure in future years, as contributions will need to be increased in order to fund continuing obligations such as sick pay gratuity and the replacement of operationally-needed vehicles and equipment.

- **Discretionary Service-wide Cuts and Other Reductions of \$3.6M** - This reduced costs such as business travel, conferences, stationary and consulting, based on line-by-line reviews and analysis.
- **Premium pay reduction of \$2M** - This is an account that has historically been underfunded and based on previous years over-spending will represent an initial budget pressure of \$10-15M that will need to be managed with strict governance and internal controls.
- **Alternative funding sources of \$9.6M** – This includes items such as draws from the City’s Cannabis legislation reserve and the City’s dedicated Vision Zero funding, as well cost recovery for projected COVID-19 impacts in 2021.
- **Allowable changes in accounting treatment of \$2M** – This includes the capitalization of part of body worn camera asset expenditures.

The balancing actions above were accomplished by reallocating and reprioritizing existing resources, absorbing cost pressures and identifying bridging strategies.

While careful consideration was taken before proposing these adjustments, the budget proposal comes with additional operational pressures and risks and dependencies that are not all within the Service’s control. Growth in population and calls for service continue to put pressures on resources, impacting on the delivery of those services. The decrease in the 2021 premium pay budget over 2020 and against current spending levels correlates with staffing levels and level of crime and therefore it is subject to police exigencies and cannot be fully predicted. These risk areas will be monitored and reported to the Board, through the variance reporting process. It is important to note however, that some balancing actions to achieve a 0% budget are temporary strategies only and will place additional budget pressures to future years.

2021 Budget Cost Drivers

The 2021 Toronto Police Service 2021 operating budget request is \$1,076.2M (\$1,229.5M gross), which is \$0M or 0% above the 2020 approved budget.

The following table summarizes the proposed budget by major category. Year over year changes in the budget are explained below.

Table 4 – Summary of Net Budget Request by Category

Budget	2020 Budget \$Ms	2021 Request \$Ms	\$ Increase / (Decrease) over 2020 Budget	% Increase / (Decrease) over 2020 Budget
2020 Net Budget - \$1,076.2M				
(a) Salary Requirements	\$816.3	\$808.1	(\$8.2)	(0.8%)
(b) Premium Pay	\$49.6	\$48.0	(\$1.6)	(0.1%)
(c) Statutory Deductions and Benefits	\$219.7	\$224.7	\$5.0	0.5%
(d) Reserve Contributions	\$50.5	\$45.5	(\$5.0)	(0.5%)
(e) Other Expenditures	\$85.1	\$86.1	\$1.0	0.1%
(f) Revenues	(\$145.0)	(\$153.3)	(\$8.3)	(0.8%)
(g) Collective Agreement Impacts		\$17.1	\$17.1	1.6%
Net Budget Request	\$1,076.2	\$1,076.2	\$0.0	0.0%

a) Salary Requirements (\$808.1M)

The total salary requirements for 2021 (exclusive of the collective agreement impacts) are \$808.1M, \$8.2M less than the previous year's budget. This includes an average deployment of 4,988 uniform officers and 2,400 civilians. Additional information about the make-up of the Service's staffing can be found earlier in this Board report, under the *Policing is About People* section.

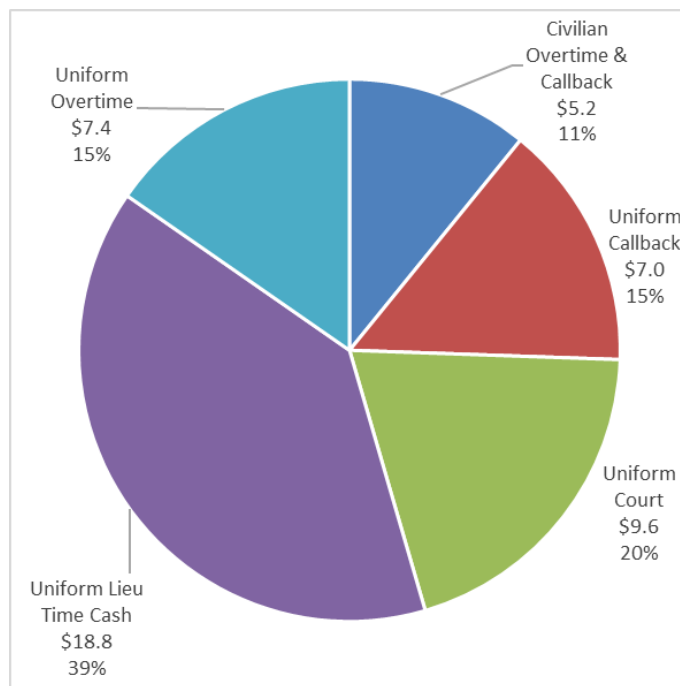
The \$8.2M decrease in base salaries is driven by the following items:

- Reduction in Uniform staffing levels and annualization of prior year's hires (\$-4.5M) - Costs include the annualization of prior year's hires and separations, savings from current year's separations, costs of current year's replacement hires and the impact of constable reclassifications, as they progress from 4th class to 1st class. The decrease from 2020 is a result of a reduced budgeted average deployment of 50 officers in 2021.
- Strategic Civilian hiring (\$-3.7M) – the 2021 budget includes a funding reduction of 90 Civilian positions that were funded in the 2020 budget. Vacancies over the last few years have put a significant strain on remaining staff that have been required to take on additional critical responsibilities and workload due to unfilled vacant positions. The 2020 budget submission included sufficient funds to fill vacancies that were previously gapped, as well as those that were required to modernize, achieve strategic priorities, comply with legislative requirements, and provide the necessary internal and

external direct and support services. To this end, the 2020 budget assumed that there would be 2,490 civilian positions staffed by the end of 2020. However, as a result of COVID-19, the filling of vacancies was significantly delayed and the Service is expected to have 2,400 civilian positions staffed by the end of 2020 for a vacancy rate of 5.5% based on approved positions of 2,536. In order to contain our budget in 2021, the Service will maintain this level of staffing and only fill current and future vacancies on a priority basis.

b) Premium Pay (\$48.0M)

Figure 6 – Premium Pay



The total premium pay request for 2021 is \$48.0M, down \$1.6M (\$2M reduction offset by \$400K for COVID cost recovery) from the previous budget.

Premium pay is a necessary part of the Service's resourcing strategy, subject to policing exigencies and is incurred:

- when staff are required to work beyond their normal assigned hours for extended tours of duty (e.g., when officers are involved in an arrest at the time their shift ends);
- for court attendance scheduled for when the officer is off duty; and
- for callbacks (e.g. when an officer is required to work additional shifts to ensure appropriate staffing levels are maintained or for specific initiatives).

The Service's ability to deal with and absorb the impact of major unplanned events (e.g. demonstrations, emergency events, and homicide / missing persons) relies, in part, on the utilization of off-duty officers which results in premium pay costs.

Since staffing levels have been decreasing over the years, there has been a significant increase in premium pay costs to accommodate critical workload issues.

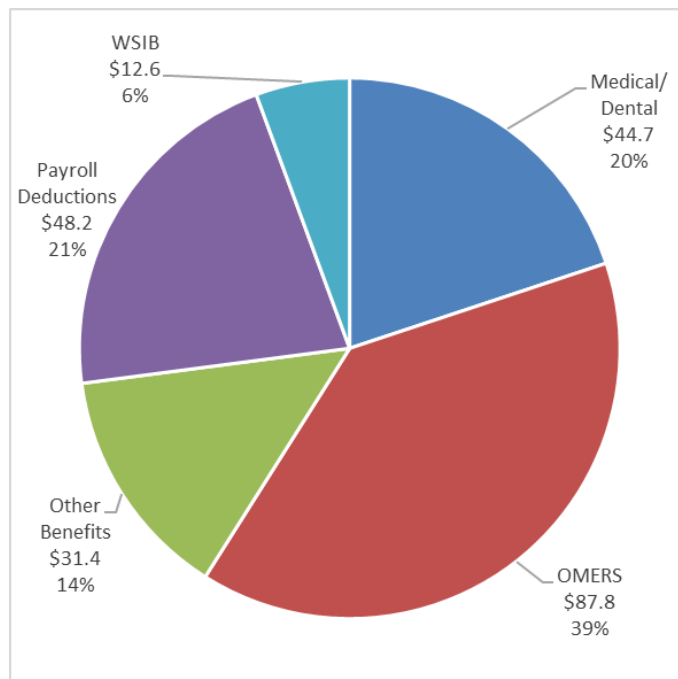
Civilians also incur premium pay to address critical workload issues resulting from a significant number of civilian staff vacancies across the Service. The staffing of civilian vacancies has taken longer than anticipated as most of the vacancies are being filled through internal promotions, creating vacancies elsewhere within the Service. While the Service will take steps to reduce premium pay costs, maintaining civilian vacancies at a rate of 5.5% will mean that civilian premium pay pressures will very likely continue.

Premium pay costs have historically been underfunded, resulting in a starting pressure that the Service is expected to manage, and that is estimated at \$15M based on historical expenditures.

The Service will monitor and take steps to control premium pay and will report against budget through the quarterly variance reporting process to the Board.

c) Statutory Deductions and Benefits (\$224.7)

Figure 7 – Benefits

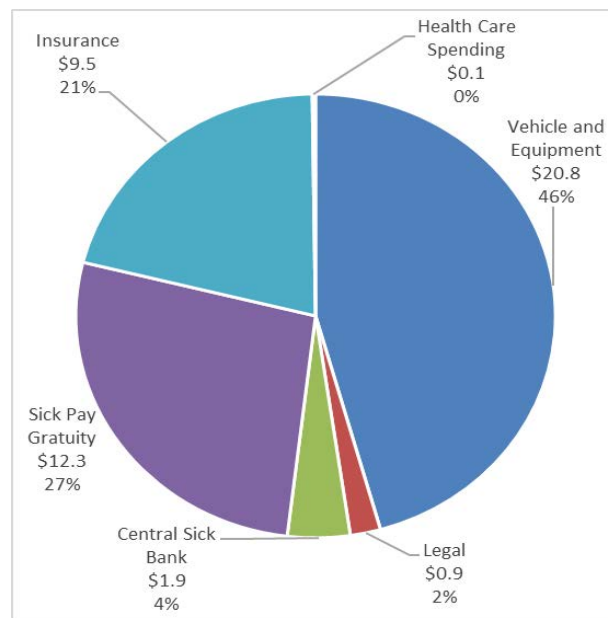


Statutory payroll deductions and employee benefits expenditures of \$224.7M are \$5.0M or 0.5% higher than the previous year budget and are a major component (21%) of the Service's total 2021 Budget request. The biggest variances are attributed to the following items:

- Medical/Dental Coverage (\$0.3M or 0.6% increase): The budget for the Board’s benefit plan is based on the cost of drugs and services, dental fee schedule, utilization rates and administration fees. This account is in line with 2019 actuals and the 2020 projected actual, plus an anticipated percentage increase which is well below suggested industry increase.
- Payroll deductions costs and O.M.E.R.S. (\$1.6M or 1.3% increase): Statutory payroll (E.I., C.P.P. and E.H.T.) and pension (O.M.E.R.S.) benefits are based on specific formulae that are affected by gross salaries. Canada Pension Plan rates (C.P.P.) rate are increasing due to gradual enhancements for higher benefits.
- Workplace Safety & Insurance Board (W.S.I.B.) costs (\$2.1M or 20% increase): The increase is primarily due to impacts of Bill 163, Supporting Ontario’s First Responders Act regarding Post Traumatic Stress Disorder (P.T.S.D.). The actuals have been increasing since 2016 and the budget request is in line with historical and projected actuals. A review of W.S.I.B. costs and its administrative processes will occur in 2021 as part of the Wellness Strategy.
- Net other changes to benefits (\$0.9M or 3.2% increase): Includes various other expenditures such as retiree medical/dental and group life insurance.

d) Reserve Contributions (\$45.5M)

Figure 8 – Reserve Contributions



The Service contributes to a number of reserves through provisions in the operating budget. All reserves are established by the City of Toronto. The City manages the Sick Pay Gratuity (S.P.G.) and Insurance reserves, while the Service manages the Vehicle & Equipment (V&E), Legal, Central Sick Bank, Health Care Spending and Modernization reserves.

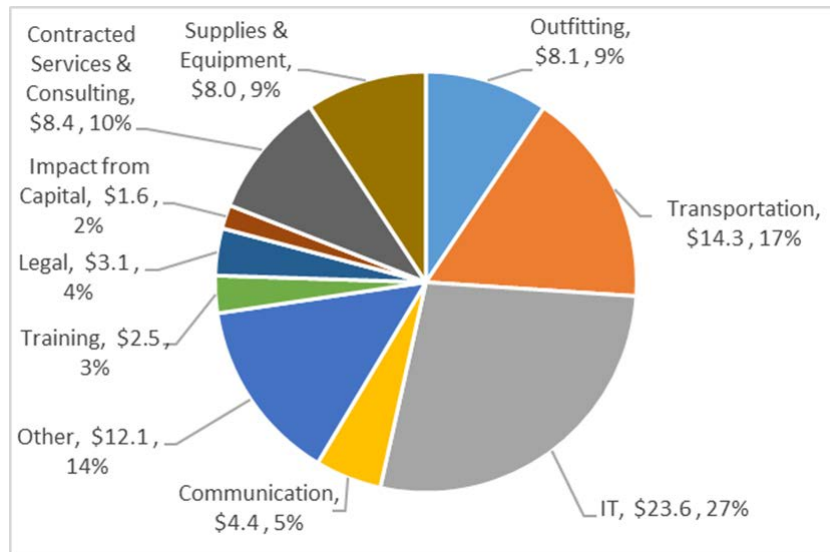
The total of all reserve contributions for 2021 is \$45.5M which is \$5M or 10% below 2020 budget. The original budget request included \$5.3M of additional contributions of which \$4M was for the Vehicle and Equipment reserve. In order to minimize the Service's 2021 budget request, the \$4M V&E reserve contribution and an additional \$1.5M from this reserve was reduced. The Health Care Spending Account and Central Sick Bank were also reduced by \$1.2M and \$1.7M respectively. In total, a \$10.3M reduction to reserve contributions was made as temporary balancing actions, when compared to the original 2021 outlook estimate.

It is important to note that these reductions are short-term actions that simply push the pressure to future years. The required incremental contributions to these and other reserves must, at some point, be included in the Service's base budget, to ensure the health of the reserves and ensure obligations can be met in the short and long-term.

It should be noted that to help with the health of the reserves, it is assumed that the Service will be permitted to reallocate any 2020 budget surplus towards one-time contributions to the reserves that faced contribution reductions in 2021.

e) *Other Expenditures (\$86.1M)*

Figure 9 – Other Expenditures



Other expenditures include items such as ammunition, fleet and transportation costs, computer equipment and maintenance, operating impact of completed capital projects as well as contracted services. These expenditures were increased by \$975K, with the largest adjustments attributed to the following items:

- COVID-19 pandemic related expenditures require additional funding of \$1.9M for items such as personal protective equipment, contracted nurses, medical advisors and costs to enable remote work. These costs are

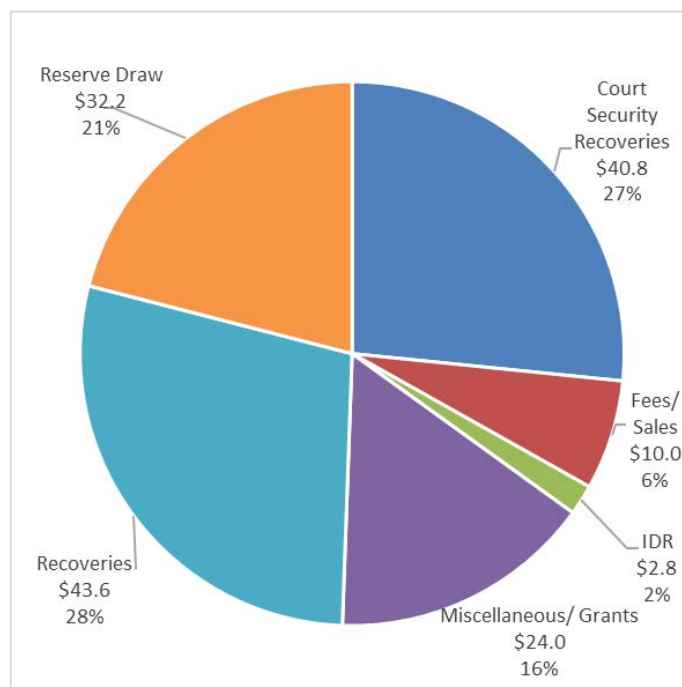
assumed to be in place for six months of 2021 and are offset with a revenue recovery.

- Computer maintenance will require additional funding of \$1.6M for various software licenses. The cost of computer maintenance is impacted by current contract costs, as determined through competitive procurement processes. Technological advances and the addition of new systems provide enhanced communication, improved information and efficiencies. However, as the number of systems and storage requirements increase, the cost of maintenance and support also increases.
- The operating budget impact of completed capital projects will require additional funding of \$1.6M. As capital projects are implemented, they often have operating budget impacts such as computer maintenance and additional staffing requirements. For 2021, the additional operating impacts are comprised of the following projects:
 - Analytics Centre of Excellence (A.N.C.O.E), including Enterprise Business Intelligence (E.B.I) and Global Search system - additional maintenance costs of \$275K
 - Body Worn Camera – incremental cost associated with the full implementation of \$1.3M, for a total cost of \$3.5M in 2021
- Reduction in various other expenditures such as ammunition (-\$0.2M), computer hardware/software/equipment (-\$0.7M), across-the-board reductions for discretionary accounts such as office supplies and courses and conferences (-\$1.0M), contracted services (-\$0.7M). Some of these reductions are COVID-19 related.

f) Revenues (\$153.3M)

Approximately 88% of the Service's expenditures are funded by City property taxes. The remaining 12% is funded through multiple sources and is reflected in the figure below.

Figure 10 – Revenue Sources, excluding property tax



The 2021 Revenue budget, representing funding that excludes the City's property tax revenue, is \$153.3M. This represents an increase of \$8.3M or 5.7% compared to the previous year, with the biggest variances attributed to the following items:

- COVID-19 Cost Recovery (\$3.9M): Included in the budget is revenue offsetting the incremental 2021 costs related to the pandemic. Although difficult to predict, the Service anticipates similar operational and financial impacts that were experienced in 2020, for approximately six months into 2021. The cost recovery, anticipated to be received from the Province, through the City, would cover the following pressures included in the 2021 budget request:
 - COVID-19 specific supplies, equipment, wellness support (e.g. personal protective equipment, decontamination, cleaning aids, contract nurses);
 - Premium pay pressures for enforcement activities;
 - The reductions to expenditures such as courses, seminars and office supplies would reduce COVID-19 cost recovery; and
 - Revenue losses from services such as vulnerable sector screening due to front counter closures and reduced paid duty administrative fees due to lower demands for paid duties.

- Increased recovery for the Vision Zero Road Safety Team (\$2.5M): The Service's Road Safety program supports the City's Vision Zero Road Safety Plan that is focused on reducing traffic-related fatalities and serious injuries on Toronto's streets. The Road Safety Program will be expanded by the addition of 10 full-time dedicated officers, for a total of 18, which will be strategically deployed throughout the City.
- Increased draw from the City's Ontario Cannabis Legislation Reserve (\$0.4M): The Ministry of Finance has provided funds to the City from the Ontario Cannabis Legislation Implementation Fund (O.C.L.I.F.), which the City has placed in reserve. Based on projected cannabis-related costs for 2021 (net of any R.I.D.E. grant recoveries), the City has advised that the Service can draw approximately \$1.5M from the City's Ontario Cannabis Legalization Reserve Fund, which is \$0.4M higher than the 2020 amount.
- Revenue opportunities for a balanced budget (\$2.5M): The 2021 budget includes confirmed grant contracts. However, there are typically opportunities for funding from other levels of government that are announced in-year. Included in other net changes is \$2.5M of anticipated revenue opportunities.

g) Collective Agreement Impacts (\$17.1M)

The uniform and civilian collective agreements between the Board and the Toronto Police Association and Senior Officers' Organization, were ratified for a five-year term, from January 1, 2019 to December 31, 2023.

The Agreements include a wage increase of 11.06% over the five-year term (average of 2.21% per year) as well as a Priority Response Unit Patrol Allowance of 3% of basic salary for all hours worked by uniform members with more than five years of service in the P.R.U.

The 2021 budget impact of the collective agreement settlements on the operating budget is \$17.1M.

2022 and 2023 Outlooks

It will continue to be challenging to offset exceptional growth with efficiencies and staffing reductions, and also continue to deliver service levels that keep the City safe. It is expected that in future years, sufficient investment will be made towards the essential infrastructure and direct and indirect support, that ensures public safety, as mandated in the Police Services Act, is maintained.

The outlooks in the table below, demonstrate that the Service anticipates a 5.3% pressure in 2022 and a 3.3% pressure in 2023 in net expenditures, based on our current understanding of expected staffing levels, current service delivery models, continued grant funding levels, economic indicators and contractual and legislative obligations known at this time.

The Service is assuming that it will continue to receive \$10.0M in Community Safety and Policing (C.S.P.) grant funding from the Ministry of the Solicitor General

in 2022 to cover the cost of the Public Safety Response Team salaries. However, this grant term ends on April 1, 2022. Should the grant not continue, a \$7.5M pressure will result in 2022, annualizing to \$10.0M in 2023.

The outlooks below have also not taken into account any changes, opportunities or efficiencies that may be identified and implemented as part of the police reform recommendations in 2021. The Service will also continue to review and rationalize its physical footprint to ensure the most efficient and effective use of City-owned real estate and to determine what properties might be returned to the City, and could potentially serve as a partial offset to the Service’s future budget requests.

Table 5 -2022 & 2023 Outlooks (\$M)

Description	2022	2023
Starting Request	\$1,076.2	\$1,133.7
Salary requirements	\$9.6	\$4.4
Premium Pay	\$1.6	\$0.0
Benefit cost increases	\$4.0	\$5.2
Reserve contributions	\$4.6	\$4.0
Non Salary – inflationary and contract increases	\$4.5	\$4.2
Revenues	\$9.7	\$1.8
Total change before collective agreement impacts	\$34.1	\$19.6
Collective Agreement Impacts	\$23.4	\$17.9
Net Change	\$57.5	\$37.5
Outlook	\$1,133.7	\$1,171.2
Percentage change over prior year	5.3%	3.3%

Conclusion:

The Toronto Police Service (Service) 2021 operating budget request is \$1,076.2M (\$1,229.5M gross), which is \$0M or 0% above the 2020 approved budget.

This fiscally responsible budget is a reflection of the direction set out by the Board, through the police reform roadmap, City Council recommendations and informed by public input and feedback.

Included in the 0% budget, is the enhancement of key priority services without requesting additional funds. Specifically, through reallocation and reprioritization of resources, the budget absorbs:

- the expansion of the **persons in crisis response** through the deployment of 11 additional M.C.I.T officers, increasing coverage from 10 hours to 24 hours a day, 7 days a week;

- **crisis call diversion program**, as a proof of concept, placing community crisis workers in our 911 communication centre, to help divert calls to a community agency where police response is not required;
- a continued commitment to expand the **Neighbourhood Community Officer** program by up to ten additional neighborhoods;
- a fully dedicated team of 18 officers focused on **road safety and Vision Zero** priorities;
- an increase of four specialized officers dedicated to a **gun & gang prevention** team;
- additional officers to focus on **preventing hate crimes** as well as making permanent a **centralized shooting response team** for greater coordination to address/investigate all shooting occurrences in the City.

In addition, this budget reflects continued commitment to: the wellness, development and training of our members; achieving the international standard of a 70/30 reactive/proactive response model; enabling the Service with technology as well as value-added and timely information to operate efficiently and effectively.

This budget represents an ongoing commitment to affordability of policing services to the City. Despite \$46M of cost pressures in 2021, and operating in a growing city with increasing demand for public safety services, the proposed budget is a 0% increase over last year and also includes enhancements to priority services that are being absorbed.

This budget represents the third time in five years that the Service has achieved a 0% increase. Moreover, since 2017, the Service has delivered over \$100M in efficiencies while also modernizing service delivery for a safer Toronto. The Service has also reduced its overall (uniform and civilian) complement by over 400 positions, resulting in ongoing annual savings of \$40-50M. These efforts are part of the transformation journey that included the civilianization of uniform positions where appropriate and the transfer of non-core functions (school crossing guard and lifeguard programs) to the City.

In addition to improving public trust, community relationships and accountability, the implementation of police reforms and The Way Forward recommendations, will also assist in bending the Service's cost curve in future budgets, by delivering policing services in the most efficient and effective manner, as should be expected of a growing, world-class city.

Mr. Tony Veneziano, Chief Administrative Officer, and Svina Dhaliwal, Director of Finance and Business Management will be in attendance to answer any questions the Board may have regarding this report.

Respectfully submitted,

James Ramer, M.O.M.
Chief of Police

*original copy with signature on file in Board office

Appendix A – Historical Budget

Summary of Year-Over-Year Change– Net Operating Budget (\$M)

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 Req.	Total Change 2010-2021
Net Budget	888.2	930.4	935.7	936.4	965.5	980.3	1004.7	996.3	996.5	1,035.4	1,076.2	1,076.2	
\$ Increase		42.2	5.3	0.7	29.1	14.8	24.4	-8.4	0.2	38.9	40.8	0.0	
Total % increase		4.8%	0.6%	0.1%	3.1%	1.5%	2.5%	-0.8%	0.0%	3.9%	3.9%	0.0%	19.6%
Collective Agreement (\$ impact)		30.2	23.2	25.6	27.3	18.4	22.4	17.3	17.4	25.2	28.9	17.1	253.0
Discretionary (\$ impact)		12.0	-17.9	-24.9	1.8	-3.6	2.0	-25.7	-17.2	13.7	11.9	-17.1	-65.0
Collective Agreement (% impact)		3.4%	2.5%	2.7%	2.9%	1.9%	2.3%	1.7%	1.7%	2.5%	2.8%	1.6%	26.1%
Discretionary (% Impact)		1.4%	-1.9%	-2.7%	0.2%	-0.4%	0.2%	-2.6%	-1.7%	1.4%	1.1%	-1.6%	-6.6%
CPI Increase		3.0%	1.5%	1.2%	2.5%	1.5%	2.1%	2.1%	2.5%	2.0%	0.7%	1.6%	20.8%

(Source for C.P.I.: Statistics Canada Table 18 10-0005-01 Consumer Price Index, annual average, not seasonally adjusted)

The Operating Budget increase of \$188M or 21.2% over 10 years (growing from \$888.2M in 2010 to \$1,076.2M in 2021) is comprised of the following:

- \$253M of the total budget increase is attributable to salary and benefit increases that have arisen from negotiated and arbitrated collective agreement settlements between the Board and the Toronto Police Association (T.P.A.) and the Senior Officers' Organization (S.O.O.). These increases are beyond the Service's control.
- \$65M in net reductions is not attributable to the collective agreements. These reductions are primarily from hiring freeze and other management actions in non-salary costs which resulted in significant cost savings/avoidance.