

2024 OPERATING BUDGET BRIEFING NOTE

2024 City Staff Prepared Budget for Toronto Police Service

Issue/Background:

- The 2024 Budget process has sought to increase opportunities for public consultation and engagement, either through pre-budget consultation meetings, telephone town halls or a series of public deputations held across the City.
- As part of these engagement opportunities questions have been asked related to the level of funding included in the 2024 Staff-Prepared Operating Budget for the Police Service and if the staff prepared budget decreases Police funding by \$12.6 million.
- This briefing note provides clarity on the total level of funding included in the Staff-Prepared 2024 Operating Budget for the Toronto Police Service, with emphasis in the following areas:
 - The 2024 Operating Budget reflects an increase above 2023 funding levels;
 - \$12.6 million reflects the difference between the increase approved by the Police Board and the increase reflected in the staff-prepared budget; and
 - The staff prepared budget includes \$59.7 million in added budget actions (**excluding the funding provision for collective bargaining units in 2024**) to offset added pressures in the 2024 Police Budget, equivalent to an 5.2% (plus) increase in funding as reflected in Table 1 below:

Table 1: Summary of Budget Actions by the City to Offset TPS Cost Pressures

2024 Budget Actions	Cost Offsets (\$ millions)
Direct Property Tax Funding	25.0
Funding from the Major Special Event Reserve Fund	10.0
One-Time Funding Actions	2.4
Bridging Strategies	22.3

Provision for Collective Bargaining Impacts in 2024 (TPS, TPSB and Parking Enforcement Unit)	Confidential
Total	59.7 (plus)

Key Points:

- The 2024 City Staff Prepared Operating Budget for Toronto Police Service (TPS) is \$1.349 billion gross and \$1.174 billion net, **excluding the provision for collective bargaining units in 2024.**
- At its meeting on December 19, 2023, the Toronto Police Services Board approved a 2024 Operating Budget submission of \$1,361.5 million gross and \$1,186.5 million net for Toronto Police Service.
- The TPS Board Approved Budget included a net increase of \$37.6 million over 2023, comprised of \$20 million in base budget pressures and \$17.6 million in sustained pandemic impacts which have now been added to the base budget.
 - The 2024 City Staff Prepared Operating Budget reflects \$12.6 million (gross and net) less in funding than what the Board approved for 2024, which will require an unspecified budget reduction to be determined by the Chief of Toronto Police Service to meet the City's funding allocation.
 - **When considering all direct and indirect funding support as well as bridging strategies, the City Staff Prepared Operating Budget includes an additional \$59.7 million (plus CBA provision) for TPS above the 2023 budget. This reflects a \$12.6 million difference from the TPS request for \$72.3 million (plus CBA provision) in total operating support.**

2024 Budget Actions

- In addition to the \$1,173.9 million in net funding identified in the 2024 Budget Notes for TPS (**\$25 million Net Budget increase**), City staff has made additional funding available for TPS to leverage as required, including:
 - A provision funded by the property tax base in the City's Corporate Accounts to address estimated collective bargaining impacts in 2024.
 - The provision for salary and benefit increases will ultimately be transferred to the Service's Budget once a settlement is reached.
 - A further \$10.0 million in added contribution from the City's Major Special Event Reserve Fund (XR1218) funded by property tax base to help address premium

pay costs relating to providing public safety services at City's major special events.

- City staff have also worked closely with Police to make available \$24.7 million in funding in the 2024 budget. This was done through bridging strategies and one-time funding options, leveraged to reduce or offset 2024 costs and maintain future health of reserves.
 - This includes a cost deferral of \$10.0 million in contributions by the TPS to the Vehicle and Equipment Reserve and a reduction of \$12.3 million to the Sick Pay Gratuity Reserve which will be accommodated through overall City contributions.
 - It also includes one-time funding from the City's Tax-Rate Stabilization Reserve of \$2.4 million for one-time related expenditures associated with critical technology projects and implementing actions to address recommendations from the Auditor General and Judge Epstein.
- When considering all 2024 budget actions, the City Staff Prepared Operating Budget includes an additional \$59.7 million (plus CBA provision) in support for the TPS over the 2023 Operating Budget, reflecting the largest tax supported increase in Police funding since amalgamation.
 - Total Police funding represents the second largest program or agency impact on the 2024 property tax rates, only following the TTC (assuming \$250 million in federal funding for refugee claimant response in Shelter and Support Services).

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