

Toronto 2017 BUDGET



OPERATING PROGRAM SUMMARY



Toronto Police Services Board

2017 OPERATING BUDGET OVERVIEW

The Toronto Police Services Board is responsible, under the Police Services Act, for ensuring the provision of adequate and effective police services in Toronto.

2017 Operating Budget Highlights

The total cost to deliver this service to Toronto residents is \$2.809 million gross and \$2.309 million net as shown below:

(in \$000's)	2016 Budget	2017 Budget	Change	
			\$	%
Gross Expenditures	3,051.9	2,809.1	(242.8)	(8.0%)
Gross Revenues	750.0	500.0	(250.0)	(33.3%)
Net Expenditures	2,301.9	2,309.1	7.2	0.3%

The 2017 Council Approved Operating Budget for the Toronto Police Services Board is 0.3% or \$7,200 over the 2016 approved budget and is therefore 2.9% below the budget target of a 2.6% decrease below the 2016 Approved Operating Budget.

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Fast Facts

- The Toronto Police Services Board is a seven member civilian body that oversees the Toronto Police Service.
- The Police Services Act also sets out who will be members of the Board. In Toronto, it states that three members will be appointed by the provincial government; one member will be the Mayor of Toronto (or designate); two members will be City of Toronto Councillors and one member will be a citizen selected by the City of Toronto Council.
- The primary role of the Board is to establish, after consultation with the Chief of Police, overall objectives and priorities for the provision of police services.
- The Toronto Police Services Board provides governance to Toronto Police Service and it's members, a strength of 7,881 members.
- The Police Services Act establishes the number of Board members in direct relation to the population of the area it represents.
- The Toronto Police Services Board is the only Board in Ontario to be headed by a full time Chair.
- In Toronto, civilian governance of the police dates back to January 1, 1957, when the police departments from the original thirteen municipalities in the Toronto area amalgamated to establish Metropolitan Toronto Police.

Key Service Deliverables for 2017

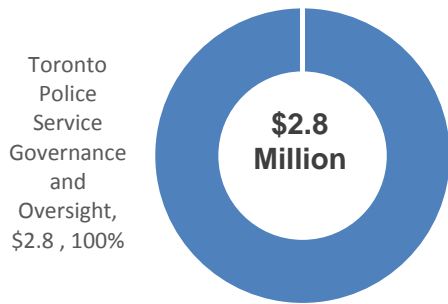
The primary role of the Toronto Police Services Board is to establish, after consultation with the Chief of Police, overall objectives and priorities for the provision of police service and fulfilling the mandate established in the Police Services Act.

The 2017 Council Approved Operating Budget of \$2,309.1 million net will enable the Police Services Board to:

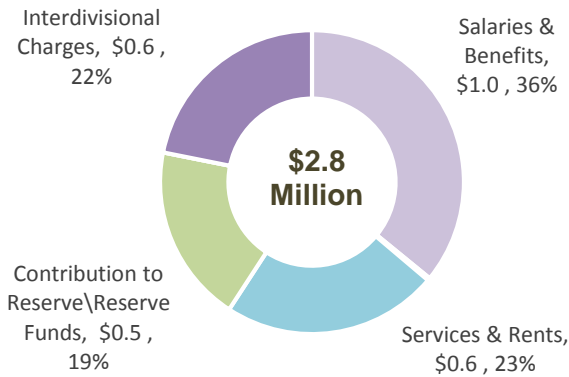
- Respond to anticipated changes to the Police Services Act
- Monitor implementation of the Transformational Task Force Final Report.
- Conduct a street check study.
- Begin implementation of minutes of settlement arising from an Ontario Human Rights tribunal matter.
- Continue to provide governance and civilian oversight and to monitor achievements of the Toronto Police Service.

Where the money goes:

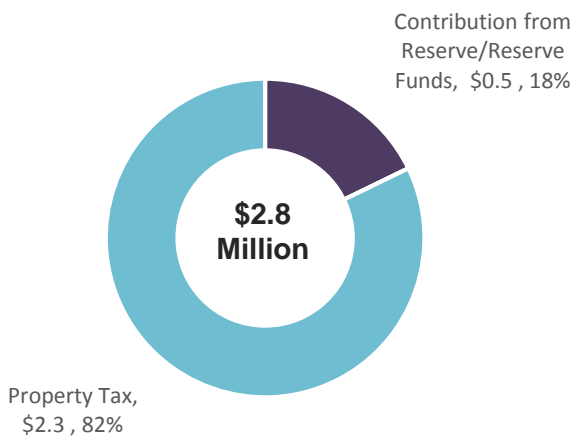
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Anticipated amendments to the Police Services Act** could result in changes in 2017 affecting the Board's governance and oversight priorities. A move toward an expanded monitoring and independent research role is anticipated.
- **Transformation of the Toronto Police Service and the Modernization of Community Safety** - The Transformation Task Force Final Report was presented to the Toronto Police Services Board on January 26th, 2017. The recommendations identify the actions required by the Board and the TPS to achieve the recommendations. It is expected that the recommendations will result in strategic investments and quarterly reports to the Board to demonstrate progress.

2017 Operating Budget Highlights

- The 2017 Council Approved Operating Budget for Toronto Police Services Board of \$2.809 million in gross expenditures provides funding for continued governance and civilian oversight and to monitor achievements of the Toronto Police Service
- The Police Services Board has not achieved the budget target of -2.6% increase from 2016 Approved Budget mainly due to the following:
 - An expenditure of \$0.055 million arising from an Ontario Human Rights Tribunal settlement increased the 2017 budget request of the Board.
 - An expenditure of \$0.012 million for consulting services related to Street Check Regulation.

Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2017 Operating Budget for Toronto Police Services Board of \$2.809 million gross, \$2.309 million net for the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Toronto Police Service Governance and Oversight	2.809	2.309
 	<hr/>	<hr/>
Total Program Budget	<u>2.809</u>	<u>2.309</u>

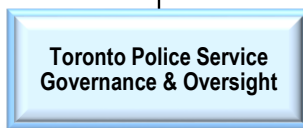
2. City Council approve the 2017 Toronto Police Services Board staff complement of 7.0 positions, comprised of 6 staff members and 1 Chair.



Part 1:

2017-2019 Service Overview and Plan

Program Map



Purpose:
To ensure the provision of adequate and effective police services in accordance with community needs and expectations, through policy development, compliance monitoring with Board policy and directions and priority setting through stakeholder consultations and communications and consultations with the Chief of Police as required by the Police Service Act



Service Customer

Toronto Police Service Governance & Oversight

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

Indirect (Beneficial)

- Residents
- Businesses
- Staff - City Divisions
- Staff - Agencies and Boards
- Ministry of Community Safety & Correctional Services

Table 1
2017 Operating Budget and Plan by Service

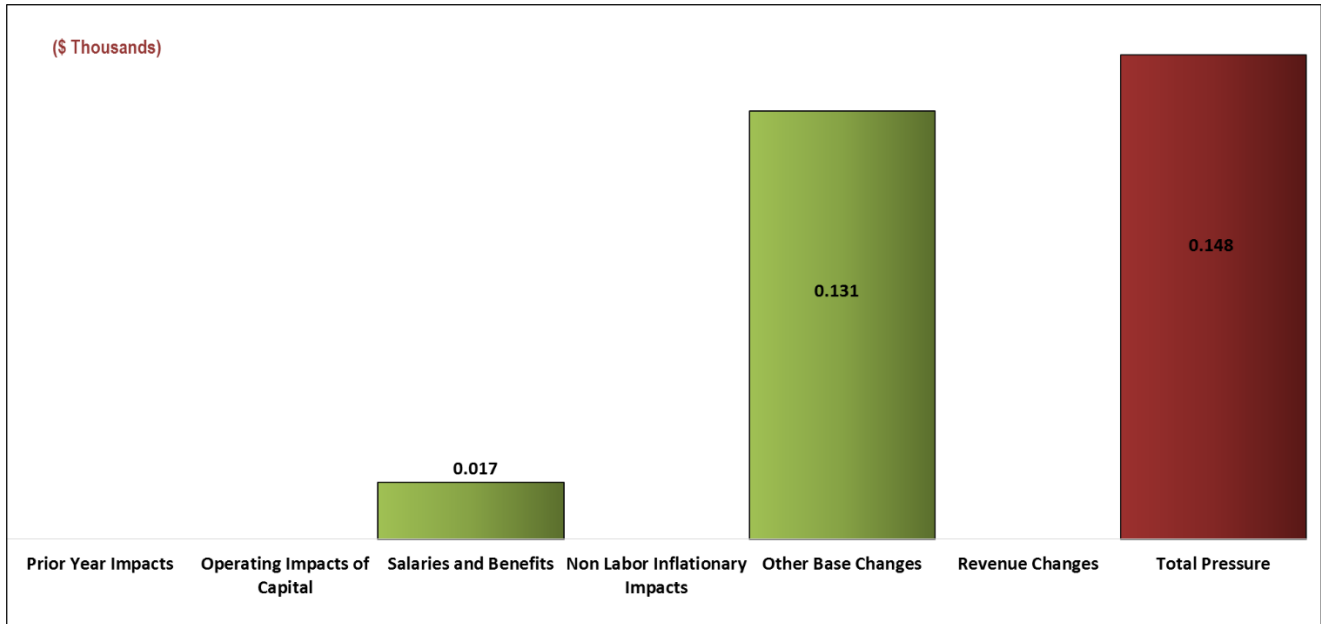
(In \$000s)	2016		2017 Operating Budget			2017 vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/ Enhanced	Total Budget			2018 Plan	2019 Plan		
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Toronto Police Service Governance and Oversight											
Gross Expenditures	3,051.9	3,026.5	2,809.1		2,809.1	(242.8)	(8.0%)	17.9	0.6%		
Revenue	750.0	750.0	500.0		500.0	(250.0)	(33.3%)				
Net Expenditures	2,301.9	2,276.5	2,309.1		2,309.1	7.2	0.3%	17.9	0.8%		
Total											
Gross Expenditures	3,051.9	3,026.5	2,809.1		2,809.1	(242.8)	(8.0%)	17.9	0.6%		
Revenue	750.0	750.0	500.0		500.0	(250.0)	(33.3%)				
Total Net Expenditures	2,301.9	2,276.5	2,309.1		2,309.1	7.2	0.3%	17.9	0.8%		
Approved Positions	7.0		7.0		7.0						

The Toronto Police Services Board's 2017 Operating Budget is \$2.809 million gross and \$2.309 million net, representing a 0.3% increase or \$0.007 million above the 2016 Approved Net Operating Budget. It is not in line with the reduction target as set out in the 2017 Operating Budget Directions approved by Council. The Toronto Police Services Board's 2017 Operating Budget is 2.9% or \$0.067 million above target.

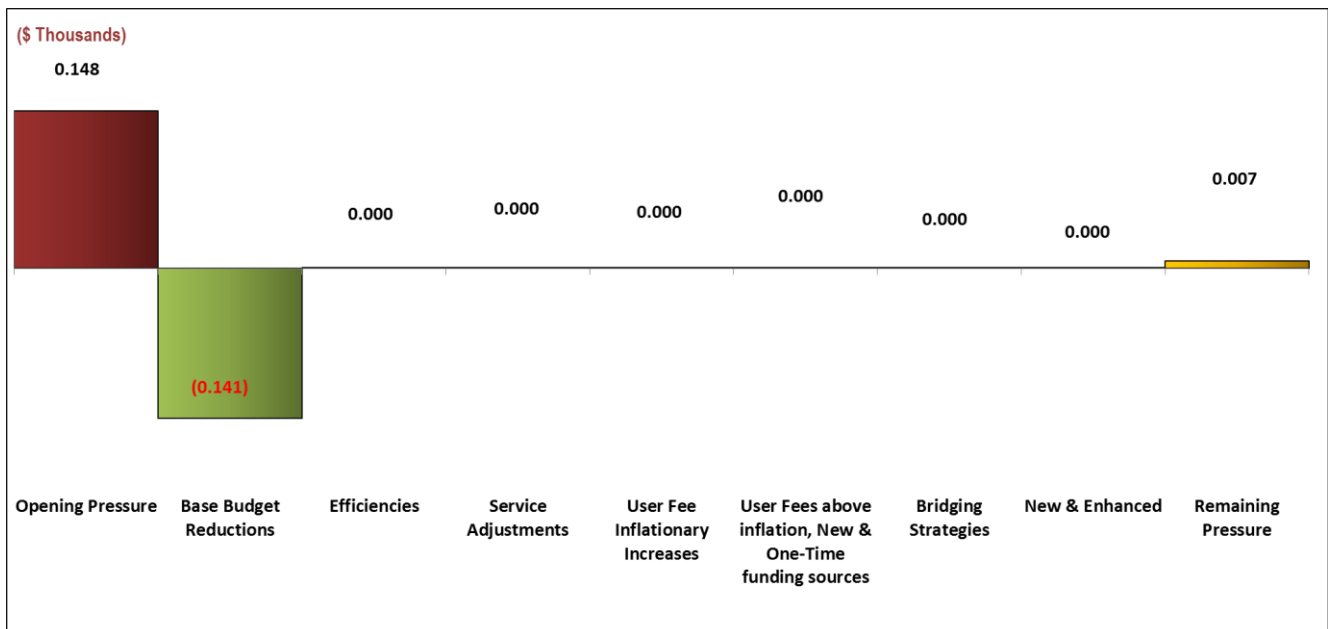
- Base pressures are mainly attributable to an increase in salaries of \$0.056 million and \$0.067 million for one-time consulting costs.
- To help mitigate the above pressures, the Program was able to achieve line by line base budget reductions savings through the reduction of services and rents including a reduction to reserve contributions \$0.082 million, a decrease in Audit Services Budget of \$0.035 million and a decrease in Consulting Services \$0.183 million.
- Approval of the 2017 Operating Budget will result in Toronto Police Services Board maintaining a current staff complement of 7.
- The 2018 Plan forecasts an increase of \$0.018 million in salaries as a result of the Toronto Police Senior Officers' Organization (S.O.O.) collective agreement. The S.O.O. Agreement will expire December 2018 and therefore, impacts to the 2019 Plan are not known at this time.

The following graphs summarize the operating budget pressures for this Program and the measures/actions taken to offset these pressures and meet the budget target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target



**Table 2
Key Cost Drivers**

(In \$000s)	2017 Base Operating Budget		Total	
	Toronto Police Services Governance and Oversight			
	\$	Position	\$	Position
Gross Expenditure Changes				
Salaries and Benefits				
Salary Increases including COLA	17.3		17.3	
Other Base Changes				
Equipment - Electronic Agenda Annual Fee	25.1		25.1	
Professional & Technical Services	11.5		11.5	
External Services - Legal & Public Relations	27.0		27.0	
OHRT Settlement	55.0		55.0	
Consultant - Street Check Regulation	12.0		12.0	
Total Gross Expenditure Changes	147.9		147.9	
Net Expenditure Changes	147.9		147.9	

Key cost drivers for Toronto Police Services Board are discussed below:

- Salaries and Benefits
 - An increase of \$0.017 million in salaries are the result of the COLA adjustment. Compensation charges for Board staff are in line with the Toronto Police Senior Officers' Organization (S.O.O.) agreements for a 1.7% increase for 2017.
- Other Base Changes:
 - Subscription cost of the new agenda management system will increase Equipment & Supplies by \$0.033 million.
 - Professional & Technical services budget will increase slightly by \$0.012 million as well as external services for Legal and Public Relations by \$0.027 million.
 - Consulting Services will also increase by \$0.550 million as a result of a one-time ORHT Settlement and an additional \$0.120 million is required for services related to Street Check Regulations.

In order to approach the budget reduction target, the 2017 service changes included in the Toronto Police Services Board consists of base expenditure savings of \$0.141 million gross and net, as detailed below.

**Table 3
Actions to Achieve Budget Reduction Target
2017 Service Change Summary**

Description (\$000s)	Service Changes		Total Service Changes			Incremental Change			
	Toronto Police Services Governance and Oversight		\$	\$	#	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:									
Base Expenditure Changes									
Audit Services - Elimination of Service	(35.0)	(35.0)	(35.0)	(35.0)					
Legal Reserve - Contribution	(81.6)	(81.6)	(81.6)	(81.6)					
Courses, Seminars and Travel	(13.0)	(13.0)	(13.0)	(13.0)					
Services and Rents - Reductions	(11.0)	(11.0)	(11.0)	(11.0)					
Base Expenditure Change	(140.6)	(140.6)	(140.6)	(140.6)					
Sub-Total	(140.6)	(140.6)	(140.6)	(140.6)					
Total Changes	(140.6)	(140.6)	(140.6)	(140.6)					

Base Expenditure Changes - Savings of \$0.141 million gross & net

- The 2016 budget for City Audit Services \$0.035 million was not spent, as the Board did not include any audits in the 2016 work plan. The 2017 work plan does not identify audit requirements in 2017, which results in a reduction of \$0.035 million. It is not known at this time if there will be Audit requirements in 2018.
- The budgeted contribution to the Legal Reserve has been reduced by \$0.082 million or 13.4% reduction to meet City target.
- The budgets for courses, seminars and travel have been aligned to actual spending which results in savings of \$0.013 million and \$0.110 million respectively.

**Table 5
2018 and 2019 Plan by Program**

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
Prior Year Briding Approval Impacts										
OHRT Settlement - Reversal of One Time Cost	(55.0)		(55.0)							
Consultant - Street Check Regulation - Reversal On	(12.0)		(12.0)							
Salaries and Benefits										
Salary increases including COLA	17.9		17.9							
Sub-Total	(49.1)		(49.1)							
Total Incremental Impact	(49.1)		(49.1)							

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- Salary increases arising from the Toronto Police Senior Officers' Organization (S.O.O.) collective agreement will add a pressure of \$0.018 million in 2018. The contract expires December 2018, therefore 2019 impacts are not known at this time.



Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target -2.6%

The Toronto Police Services Board's 2017 Operating Budget of \$2.809 million gross and \$2.309 net includes savings of \$0.144 million as an effort to offset the base expenditure pressures of \$0.148 million.

The base pressures of \$0.148 million include one-time budget pressures of \$0.067 million which do not allow the Board to meet the City's budget reduction target of -2.6% as set out by Council.

Ontario Human Rights Tribunal (OHRT) minutes of settlement

- Due to an external human rights settlement the Board budget will increase \$0.055 million or 2.4% in 2017.
- The Board's costs will increase in 2017 as a result of an external OHRT settlement. A consultant will be engaged to review policies, procedures practices and training with respect to delivery of service to transgendered persons. Any recommendations requiring changes to policies or procedures will be reviewed by the Board. It is expected that additional implementation costs will be incurred in 2018 and beyond. At this time these costs are not known.
- Consulting to support research required for Street Check Regulations will commence in 2017 increasing the budget \$0.012 million. This is a one-time expenditure.

Issues Impacting Future Years

Amendments to the Police Services Act expected in 2017

- The Ministry of Community Safety and Correctional Services is in the process to modernize the Police Services Act. This is the first review of the Police Services Act in 25 years. It is an opportunity to modernize the legislative and regulatory framework of policing. Improving the efficiency and effectiveness of policing is a key goal of municipal governments. Legislative change can have a significant bearing on the costs which taxpayers assume.
- As a result, the Board will continue to assess its governance role and the resources required to support its mandate. It is anticipated that Legislative changes to the Police Services Act will be enacted in 2018. It is unknown at this time how the Board's accountability service level may be impacted.

The Transformational Task Force was created to address the expectations that City of Toronto has of its police service related to accountability, collaboration and inclusiveness, greater openness, transparency of information and decision-making, as well as sustainability and affordability.

- In February 2016, the Task Force began work on a plan to modernize the Service to ensure it can keep pace with changing public expectations. An interim report was issued in June 2016 with 24 interim recommendations for change.
- The Final Report was presented to the Board in January 26th, 2017. It is expected that there will be demand placed on the Board to ensure its ability to provide the appropriate oversight as the Toronto Police Service continues to evolve to meet the complex needs of the City in 2017 and future years.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, the Toronto Police Services Board accomplished the following:

- ✓ Arrived at a collective agreement with the Senior Officers Organization
- ✓ In collaboration with the Chief of Police, introduced the interim report for the Transformational Task Force which outlines a modern service delivery model for the Toronto Police Service
- ✓ Established a Mental Health Evaluation Committee

Appendix 2

2017 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2014	2015	2016	2016	2017	2017 Change		Plan	
	Actual	Actual	Budget	Projected Actual *	Budget	from 2016 Budget	%	2018	2019
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	896.5	903.9	1,002.2	977.2	1,019.5	17.3	1.7%	1,037.4	1,037.4
Materials and Supplies	4.9	6.4	7.6	7.6	7.6			7.6	7.6
Equipment		1.4	0.9	40.4		(0.9)	(100.0%)		
Services & Rents	1,083.1	604.3	785.2	745.7	642.6	(142.6)	(18.2%)	642.6	642.6
Contributions to Capital							-		
Contributions to Reserve/Res Funds	458.0	610.6	610.6	610.6	529.0	(81.6)	(13.4%)	529.0	529.0
Other Expenditures							-		
Interdivisional Charges	559.1	539.5	645.4	645.4	610.4	(35.0)	(5.4%)	610.4	610.4
Total Gross Expenditures	3,001.6	2,666.1	3,051.9	3,026.9	2,809.1	(242.8)	(8.0%)	2,827.0	2,827.0
User Fees & Donations	6.0						-		
Contribution from Reserve/Reserve Funds	690.0	460.4	750.0	750.0	500.0	(250.0)	(33.3%)	500.0	250.0
Total Revenues	696.0	460.4	750.0	750.0	500.0	(250.0)	(33.3%)	500.0	250.0
Total Net Expenditures	2,305.6	2,205.7	2,301.9	2,276.9	2,309.1	7.2	0.3%	2,327.0	2,577.0
Approved Positions			7.0		7.0			7.0	7.0

* Based on the 2016 9-month Operating Variance Report

The 2016 Q3 operating variance year-end projection reflects an under expenditure of \$0.025 million.

For additional information regarding the 2016 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2016" considered by City Council at its meeting on December 13, 2016.

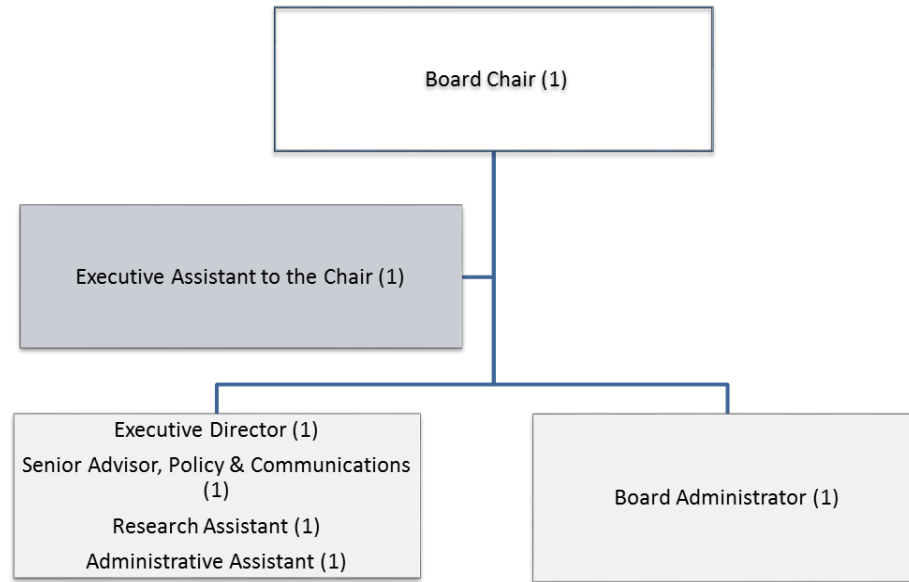
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.4>

Impact of 2016 Operating Variance on the 2017 Operating Budget

- The Board's 2016 Operating variance projects under spending of \$0.025 million. This includes underspending in Salaries and Benefits of \$0.025 million, overspending in Equipment of \$0.040 million and underspending in Services and Rents of \$0.025 million. This 2017 Operating Budget Submission includes the budget adjustments aligned to spending requirements.

Appendix 3

2017 Organization Chart



2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	7.0				7.0
Temporary					
Total	7.0				7.0

** 6 staff, plus 1 Chair*

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		1,784.6	1,784.6	1,813.6	1,842.6
TPS Legal Liability Reserve	XQ1901				
<i>Proposed Withdrawals (-)</i>			(500.0)	(500.0)	(500.0)
<i>Contributions (+)</i>			529.0	529.0	529.0
Total Reserve / Reserve Fund Draws / Contributions		1,784.6	1,813.6	1,842.6	1,871.6
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		1,784.6	1,813.6	1,842.6	1,871.6

* Based on 9-month 2016 Reserve Fund Variance Report