

Toronto 2018 BUDGET



OPERATING BUDGET NOTES



Toronto Police Services Board

2018 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.

2018 Budget Summary

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

(in \$000's)	2017 Budget	2018 Preliminary Budget	Change	
			\$	%
Gross Expenditures	2,809.1	2,809.1	0.0	0.0%
Revenues	500.0	500.0	0.0	0.0%
Net Expenditures	2,309.1	2,309.1	0.0	0.0%

Through a reduction of consulting expenses, the Program is able to fully offset \$0.018 million in salary and benefit pressure in non-salary accounts to achieve the same net budget level as 2017, while maintaining the same service levels for 2018.

CONTENTS

Overview

1. 2018-2020 Service Overview and Plan [5](#)
2. 2018 Preliminary Operating Budget by Service N/A
3. Issues for Discussion [10](#)

Appendices

1. 2017 Service Performance [13](#)
2. 2018 Preliminary Operating Budget by Expenditure Category [14](#)
3. 2018 Organization Chart [15](#)
4. Summary of 2018 Service Changes N/A
5. Summary of 2018 New / Enhanced Service Priorities N/A
6. Inflows/Outflows to/from Reserves & Reserve Funds [16](#)
7. 2018 User Fee Rate Changes N/A

CONTACTS

Program:

Joanne Campbell

Executive Director

Tel: (416) 808-8081

Email: joanne.campbell@tpsb.ca

Corporate:

Judy Skinner

Manager, Financial Planning

Tel: (416) 397-4219

E-Mail: Judy.Skinner@toronto.ca

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 its 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 2018

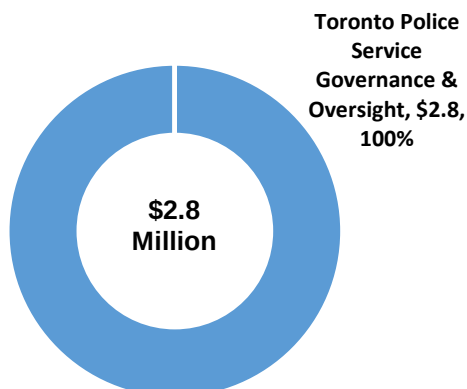
The primary role of the Toronto Police Services Board is to establish, after consultation with the Chief of Police, overall objectives and priorities for the provision of police service and fulfilling the mandate established in the Police Services Act.

The 2018 Preliminary Operating Budget will enable Toronto Police Services Board to:

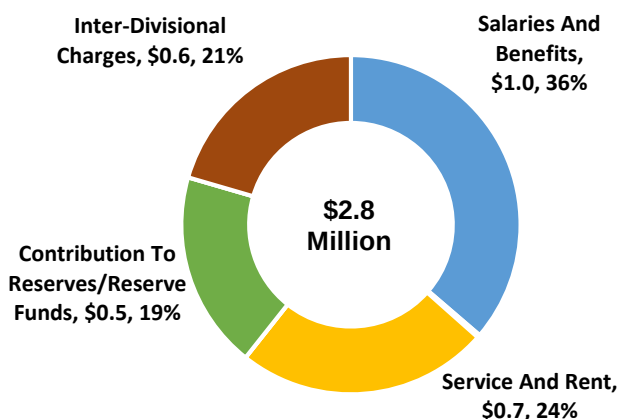
- Respond to anticipated changes to the Police Services Act
- Monitor implementation of the Transformational Task Force Final Report.
- Continue to provide governance and civilian oversight and to monitor achievements of the Toronto Police Service.

Where the money goes:

2018 Budget by Service

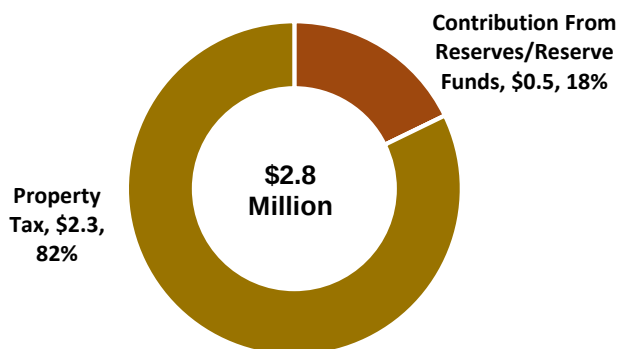


2018 Budget by Expenditure Category



Where the money comes from:

2018 Budget by Funding Source



OUR KEY ISSUES & PRIORITY ACTIONS

- **Monitoring the Implementation of Transformation Task Force Recommendations** will be achieved through quarterly progress reporting and Board actions required to support the modernization process.
- **Anticipated amendments to the Police Services Act** are expected to result in changes in 2018 affecting the Board's governance and oversight priorities.
 - ✓ A move toward an expanded monitoring and independent research role is anticipated.

2018 OPERATING BUDGET HIGHLIGHTS

- The 2018 Preliminary Operating Budget for Toronto Police Services Board is \$2.809 million gross and \$2.309 million net representing 0% change to the 2017 Approved Operating Budget.
- Continued governance and civilian oversight to monitor the Toronto Police Service will be delivered through re-allocation of \$0.026 million to address changes in base budget non-salary areas.
- Staff complement will be maintained at 7 positions in 2018.
- The 2018 Preliminary Operating Budget provides funding for the Board to continue to provide civilian oversight and monitor achievements of the Toronto Police Service.

Actions for Consideration

Approval of the 2018 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2018 Preliminary Operating Budget for Toronto Police Services Board of \$2.809 million gross, \$2.309 million net for the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Toronto Police Service Governance & Oversight	<u>2,809.1</u>	<u>2,309.1</u>
Total Program Budget	<u><u>2,809.1</u></u>	<u><u>2,309.1</u></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

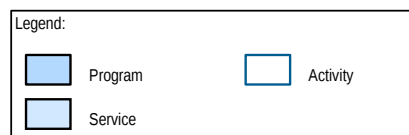
2018-2020 Service Overview and Plan

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

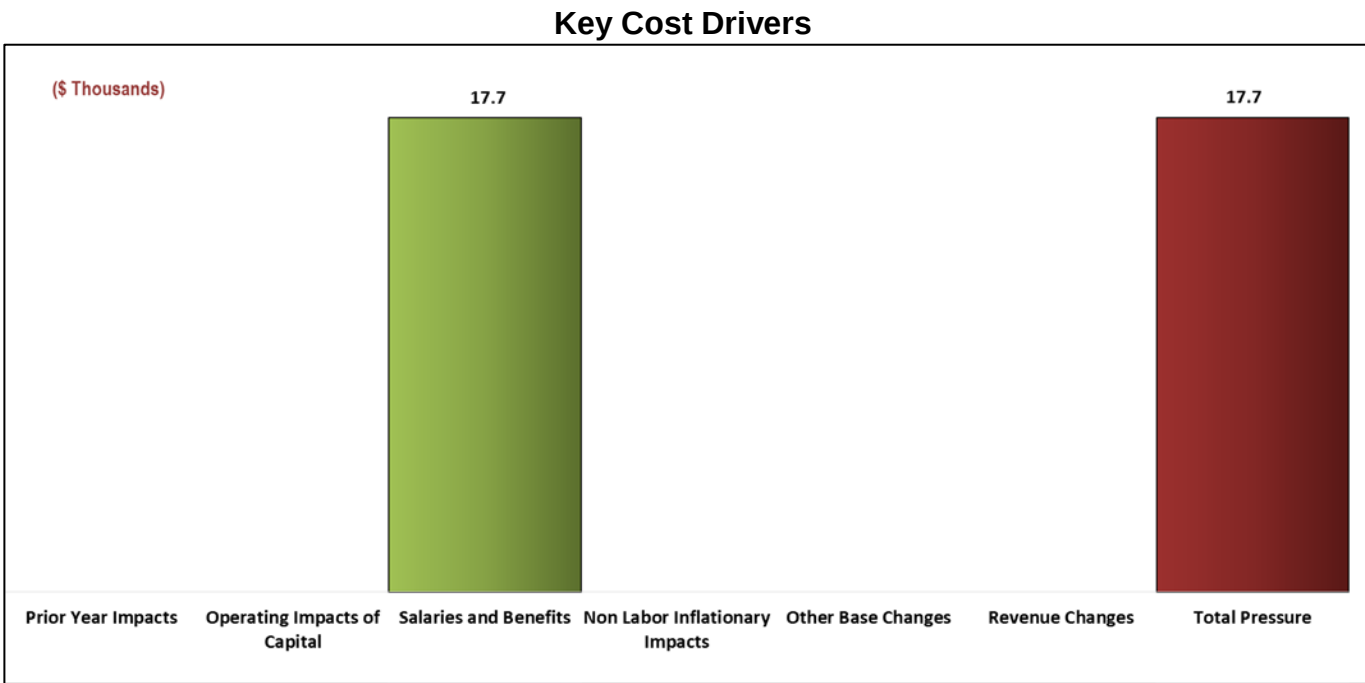
Table 1
2018 Preliminary Operating Budget and Plan by Service

(In \$000s)	2017		2018 Preliminary Operating Budget			2018		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget	Preliminary vs. 2017 Budget		2019 Plan		2020 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Toronto Police Service Governance & Oversight											
Gross Expenditures	2,809.1	2,719.8	2,809.1	0.0	2,809.1	0.0		0.0		0.0	
Revenue	500.0	500.0	500.0	0.0	500.0	0.0		0.0		0.0	
Net Expenditures	2,309.1	2,219.8	2,309.1	0.0	2,309.1	0.0		0.0		0.0	
Total											
Gross Expenditures	2,809.1	2,719.8	2,809.1	0.0	2,809.1	0.0		0.0		0.0	
Revenue	500.0	500.0	500.0	0.0	500.0	0.0		0.0		0.0	
Total Net Expenditure:	2,309.1	2,219.8	2,309.1	0.0	2,309.1	0.0		0.0		0.0	
Approved Positions	7.0	7.0	7.0	0.0	7.0	0.0		0.0		0.0	

The Toronto Police Service Board's 2018 Preliminary Operating Budget is \$2.809 million gross and \$2.309 million net, representing a 0% change to the 2017 Approved Net Operating Budget and is in line with the reduction target of 0% as set out in the 2018 Operating Budget Directions approved by Council.

- Base pressures of \$0.018 million arising from cost of living adjustments have been addressed by re-allocation in non-salary expenditures.
- The Toronto Police Services Board's staff complement of 7.0 will remain unchanged.
- There are no increases expected in 2019 and 2020 Plan years.

The following graph summarizes the operating budget pressures for the Toronto Police Services Board and the action taken to offset/ reduce these pressures to meet the budget reduction target.



Actions to Achieve Budget Reduction Target

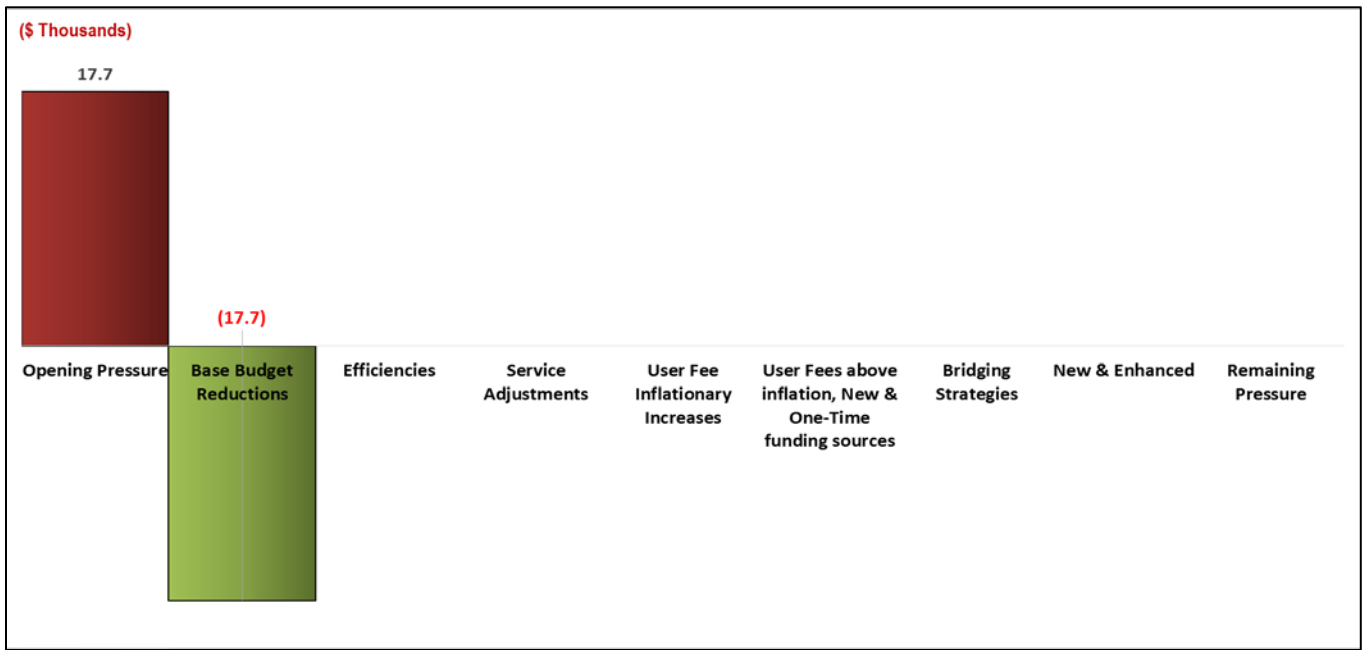


Table 2
Key Cost Drivers

(In \$000s)	Total	
	\$	Position
Gross Expenditure Changes		
Salaries and Benefits		
COLA	17.7	
Other Base Expenditure Changes		
Reductions to Consulting Services	(17.7)	
Total Gross Expenditure Changes		
Net Expenditure Changes		

The one Key cost driver for Toronto Police Services Board is cost of living adjustments for the Board Chair and staff, with no change to complement.

The Province of Ontario is in the process of reviewing the existing Police Services Act which will inform the future year's operating budgets in 2019 and 2020. Until the details are released to the public, the Outlook Years 2019 and 2020 will remain unchanged at 0%.



Part 3

Issues for Discussion

Issues Impacting Future Years

Amendments to the Police Services Act

- 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 2018 and future years.
 - On November 7th 2017, City Council approved the staff report Toronto Police Transformational Task Force Report and Impacts on City Divisions which contains 32 recommendations to modernize the policing model for the City of Toronto. Incremental costs associated with roll-out of the modernization initiative will be included in the 2018 Preliminary Operating Budget for Toronto Police Service and the following recommendations have been approved with direct budgetary impact in 2018:
 - TPS budgets for the beach lifeguard and school crossing guard programs be transferred to Parks, Forestry and Recreation and Transportation Services, respectively;
 - TPS develop a risk assessment tool to identify non-emergency calls that can be addressed through alternative approaches, including redirection to the appropriate City Division or Agency; and
 - TPSB to report back to Executive Committee by second quarter of 2018 with other actions required to finalize the Transformational Task Force initiative and identify financial pressures to be considered in time for 2019 Budget process.

<https://www.toronto.ca/legdocs/mmis/2017/ex/bgrd/backgroundfile-108126.pdf>



Appendices

Appendix 1

2017 Service Performance

Key Service Accomplishments

In 2017, Toronto Police Services Board accomplished the following:

- ✓ In collaboration with the Chief of Police introduced and approved the final report of the Transformational task Force, “The Way Forward”.
- ✓ Retained Organizational Change Management Consultant to provide independent advice with respect to implementation of “The Way Forward”.
- ✓ Appointed three Deputy Chiefs.
- ✓ Approved new Procedural By-law.
- ✓ Approved and funded review of School Resource Officer program – established steering committee.
- ✓ Received the first reports from the Regulated Interactions Review Panel's review of the TPS's treatment of historic street check data.

Appendix 2

2018 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2015 Actual	2016 Actual	2017 Budget	2017 Projected Actual *	2018 Preliminary Budget	2018 Change from 2017 Approved Budget		Plan	
	\$	\$	\$	\$	\$	\$	%	2019 \$	2020 \$
Salaries And Benefits	904.0	919.7	1,019.5	930.2	1,037.2	17.7	1.7%	1,019.5	1,019.5
Materials & Supplies	6.4	1.3	7.6	7.6	7.6			7.6	7.6
Equipment	1.4	39.8	26.0	26.0	26.0			26.0	26.0
Service And Rent	604.3	386.7	651.3	616.6	633.6	(17.7)	(2.7%)	677.3	677.3
Contribution To Reserves/Reserve Funds	610.6	610.6	529.0	529.0	529.0			529.0	529.0
Inter-Divisional Charges	539.5	584.6	575.7	610.4	575.7			575.7	575.7
Total Gross Expenditures	2,666.2	2,542.7	2,809.1	2,719.8	2,809.1	(0.0)	(0.0%)	2,835.1	2,835.1
Contribution From Reserves/Reserve Funds	460.4	350.5	500.0	500.0	500.0			500.0	500.0
Total Revenues	460.4	350.5	500.0	500.0	500.0			500.0	500.0
Total Net Expenditures	2,205.8	2,192.2	2,309.1	2,219.8	2,309.1	(0.0)	(0.0%)	2,335.1	2,335.1
Approved Positions	7.0	7.0	7.0	7.0	7.0			7.0	7.0

* Based on the 9-month Operating Variance Report

For additional information regarding the 2017 Q3 operating variance and year-end projection, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2017" considered by City Council at its meeting on December 5, 2017.

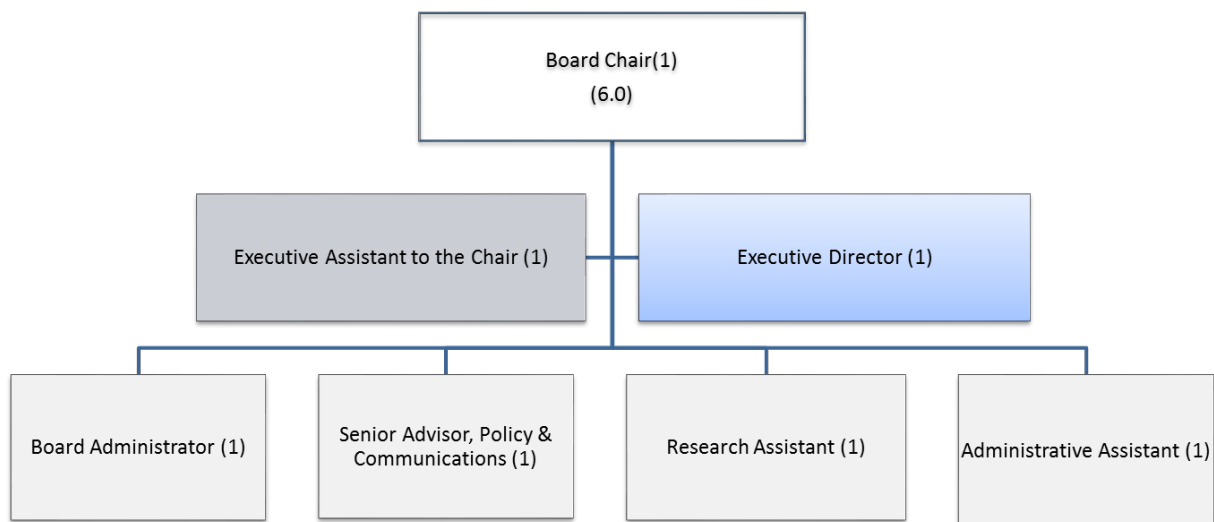
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.2>

Impact of 2017 Operating Variance on the 2018 Preliminary Operating Budget

- There is no impact of 2017 Operating Variance on the 2018 Preliminary Operating Budget.

Appendix 3

2018 Organization Chart



2018 Total Complement

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

Appendix 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, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance			1,518.6	1,547.6	1,576.6
Toronto Police Service 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			29.0	29.0	29.0
Balance at Year-End		1,518.6	1,547.6	1,576.6	1,605.6

* Based on 9-month 2017 Reserve Fund Variance Report