



The following *draft* Minutes of the special public meeting of the Toronto Police Services Board held on January 11, 2011 are subject to adoption at its next regularly scheduled meeting.

MINUTES OF THE SPECIAL PUBLIC MEETING of the Toronto Police Services Board held on **JANUARY 11, 2011** at 4:00 PM in the Auditorium, 40 College Street, Toronto, Ontario.

PRESENT:

Dr. Alok Mukherjee, Chair
Mr. Michael Thompson, Councillor & Vice-Chair
Ms. Judi Cohen, Member
Mr. Chin Lee, Councillor & Member
Dr. Dhun Noria, Member
Ms. Frances Nunziata, Councillor & Member

ALSO PRESENT:

Mr. William Blair, Chief of Police
Mr. Karl Druckman, City of Toronto – Legal Services Division
Ms. Deirdre Williams, Board Administrator

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING
OF THE TORONTO POLICE SERVICES BOARD HELD ON JANUARY 11, 2011**

**#P11. TORONTO POLICE SERVICES BOARD – 2011 OPERATING BUDGET
SUBMISSION**

The Board was in receipt of the following report December 14, 2010 from Hamlin Grange,
Acting Chair:

Subject: 2011 OPERATING BUDGET SUBMISSION OF THE TORONTO POLICE
SERVICES BOARD

Recommendations:

It is recommended that:

1. the Board approve a 2011 net Operating Budget request of \$2,375,600 which is a 1.2% increase over the 2010 net approved budget;
2. the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information, and
3. the Board forward a copy of this report to the City Budget Committee for approval.

Background:

In accordance with Section 39(1) of the *Police Services Act*, the Board is required to:

...submit operating and capital estimates to the municipal council that will show, separately, the amounts that will be required, (a) to maintain the police force and provide it with equipment and facilities; and (b) to pay the expenses of the board's operation other than the remuneration of board members.

This report addresses the requirements set out in Section 39(1) (b) of the *Act*; however, it should be noted that it has been the practice of the Board to include the remuneration of board members in its budget request.

The following is a summary of the 2011 operating budget request for the Toronto Police Services Board (in thousands).

Salaries/Benefits	\$921,100
Supplies/Equipment	11,800
Services	<u>1,442,700</u>
TOTAL NET REQUEST	\$2,375,600

Salaries/Benefits

The budget request includes funds to maintain the Board's staff complement of 7 full time civilian members.

In addition, funds are included for the remuneration of a full time Chair as well as honouraria and per diem payments for the citizen appointees to the Board. The remuneration rates for board members are established by City of Toronto Council.

The current 2011 request does not include any provision for the impact of any potential 2011 labour contract settlements.

Supplies/ Equipment

There is a negligible increase over the 2010 budget.

Services

Within this account grouping there is an increase of 1.0% over the 2010 budget. This account area provides funding for the day to day operations of the Board's office including professional services, business travel, cellular service and office supplies. Key elements of the professional services accounts are as follows:

\$610,600 Contribution to a Reserve for Costs of Independent Legal Advice

This budget is required to deal with anticipated grievances, arbitration and other labour relations proceedings in 2011. From time to time, the Board may require legal advice independent of the advice provided by City Legal and of the labour relations legal advice provided by our contracted labour relations legal firm, Hicks Morley. It is very difficult to establish a budget in this area as the Board cannot necessarily forecast the number, scope or complexity of legal proceedings.

The Toronto Police Services Board cannot predict or control the number of grievances filed or referred to arbitration. The bargaining units have a right to bring matters to hearing, and the Board is responsible for bearing half of the arbitrator's fees and costs in addition to the costs of its own legal counsel for preparation and attendance at the hearings. Failure to defend grievances would result in an award whether the matter has merit or not. Since most grievances deal with human rights, employee discipline (including termination), the exercise of managerial rights and authority to direct the workforce, the implications of allowing these grievances to be unchallenged would be substantial, in both operational impact and financial impact.

\$680,000 for City Legal Chargeback

The amount requested is the same as the 2010 approved budget. City Council has directed that the cost of work performed by the City Legal Department be charged back to the Police Services Board. City Legal provides day to day legal advice to the Board, including policy development,

contract management and may represent the Board in civil actions, human rights complaints, at Coroner's inquests and at various inquiries. The requested amount is equal to the Inter-Departmental Chargeback (IDC) reflected in the Legal Services budget at the City of Toronto.

Summary

The Board's 2011 operating budget request of \$2,375,600 represents a 1.2% increase over the 2010 budget.

The Board received the foregoing report noting that a revised 2011 operating budget submission was considered in a separate report (Min. No. P12/11 refers).

2011 Operating Budget

Toronto Police Services Board

	2009 Final	2010 as of Sept. 30	2010 Budget	2011 Request	2011 Req. over 2010 Bud.	% Inc/ (decr) over 2010 Bud.
CIVILIAN SALARIES	773,100	609,069	809,100	812,100	3,000	
ALTERNATE RATE	1,834	0	0	0	0	
SHIFT BONUS	6	12	0	0	0	
TOTAL REGULAR SALARIES	774,940	609,081	809,100	812,100	3,000	0.1%
CIVILIAN OVERTIME	0	1,552	0	0	0	
CIVILIAN CALLBACK		955				
CIVILIAN TIME CSH PM	9,788	8,311	9,800	9,800	0	
TOTAL PREMIUM PAY	9,788	10,818	9,800	9,800	0	0.0%
EMPLOYMENT INSURANCE	8,317	8,017	8,400	8,600	200	
CANADA PENSION PLAN	18,297	18,207	20,600	20,800	200	
OMERS	57,377	46,853	61,400	69,800	8,400	
TOTAL BENEFITS	83,991	73,077	90,400	99,200	8,800	0.4%
STATIONERY AND OFFICE SUPPLIES	2,534	5,681	7,800	7,400	-400	
PRINTED MATERIAL	0	2,100	2,000	1,900	-100	
BOOKS & MAGAZINES	443	0	500	500	0	
MISC MATERIALS	0	97	0	0	0	
FURNISHINGS	1,814	824	0	0	0	
COMPUTER HARDWARE		709	600		-600	
TELEPHONE EQUIPMENT	0	0	0	2,000	2,000	
TOTAL SUPPLIES/EQUIPMENT	4,791	9,411	10,900	11,800	900	0.0%
PROFESSIONAL SERVICES - LEGAL	57,342	0	0	35,600	35,600	
PROF&TECH SERV - INDUS	776,474	353,596	0	407,100	407,100	
PUBLIC RELATIONS/PROMOTIONS	15,183	12,976	25,000	23,600	-1,400	
C-SVS MGMT/RES & DEV	0	0	35,000		-35,000	
CONS SVS EXT LAWYERS	41,760	100,055	600,000	203,500	-396,500	
BUSINESS TRAV - MILEAGE ALLOWANCE	-424	21	300	300	0	
BUSINESS TRAV - PUBLIC TRANSIT	0	5	0	0	0	
BUSINESS TRAV - OTHER EXPENSES	4,109	6,570	2,000	4,100	2,100	
CONF/SEM - OTHER EXP	18,137	26,560	26,000	26,500	500	
COURSES/SEMINARS	0	0	10,000	11,200	1,200	
ADVERTISING & PROMOTION	10,001	8,885	15,000	15,300	300	
RENTAL OF VEHICLES AND EQUIPMENT	7,317	5,382	8,700	8,700	0	
RENTAL OF OFFICE EQUIPMENT	1,346	2,300	2,300	2,300	0	
R & M - FURNIT/ FURNISH	410	0	0	0	0	
MEMBERSHIP FEES	11,167	11,218	11,200	11,500	300	
PARKING EXPENSES (IN TOWN)	36	0	100	100	0	
WIRELESS DEVICES	550	0	800	900	100	
TELEPHONE	141	189	500	500	0	
CELLULAR TELEPHONES	5,439	3,580	8,200	8,400	200	
INTERNET	299	299	500	1,000	500	
COURIER SERVICES	0	6	0	0	0	
SERVICES AND RENTS - GENERAL	1,012	1,530	2,000	2,100	100	
CONTRIBUTION TO RESERVES	0	300,000	0	610,600	610,600	
IDC - LEGAL SERVICES	595,733	246,320	680,000	680,000	0	
TOTAL SERVICES	1,546,032	1,079,492	1,427,600	2,053,300	625,700	26.7%
MISCELLANEOUS REVENUE	11,815	0				
CONTRIBUTION FROM RESERVES	0	163,806		610,600	610,600	
TOTAL REVENUE	11,815	163,806	0	610,600	610,600	26.0%
TOTAL NET EXPENDITURES	2,407,727	1,618,073	2,347,800	2,375,600	27,800	1.2%

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OF THE TORONTO POLICE SERVICES BOARD HELD ON JANUARY 11, 2011**

**#P12. TORONTO POLICE SERVICES BOARD – 2011 OPERATING BUDGET
SUBMISSION**

The Board was in receipt of the following report January 11, 2010 from Alok Mukherjee, Chair:

Subject: 2011 OPERATING BUDGET SUBMISSION OF THE TORONTO POLICE
SERVICES BOARD - REVISED

Recommendations:

It is recommended that:

1. the Board approve a 2011 net operating budget request of \$2,347,800 which is a 0% increase over the 2010 net approved budget;
2. the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information, and
3. the Board forward a copy of this report to the City Budget Committee for approval.

Background:

In accordance with Section 39(1) of the *Police Services Act*, the Board is required to:

...submit operating and capital estimates to the municipal council that will show, separately, the amounts that will be required, (a) to maintain the police force and provide it with equipment and facilities; and (b) to pay the expenses of the board's operation other than the remuneration of board members.

This report addresses the requirements set out in Section 39(1) (b) of the *Act*; however, it should be noted that it has been the practice of the Board to include the remuneration of board members in its budget request.

Discussion:

The proposed 2011 operating budget submission was reviewed by the Board's Budget Sub-Committee (BSC) in November 2010. After conducting its review, the Budget Sub-Committee agreed upon a budget in the amount of \$2,375,600, which is a 1.2% increase over the 2010 approved budget.

At a special public meeting of the Board held on January 5, 2011 (Minute No. #P4/11 refers) the Board deferred consideration of the proposed budget pending a further meeting of the BSC. That BSC meeting was held on January 10, 2011. The BSC conducted a further line-by-line review of the proposed budget and agreed that, while an increase to salaries and benefits was acceptable in the accounts where the increases occurred as a result of Board-approved conditions of employment, the terms of the collective agreement and increases to mandatory deductions (OMERS, CPP etc), further efficiencies were required in non-salary accounts.

The following is a summary of the 2011 operating budget request for the Toronto Police Services Board, as revised after discussion with the BSC, (in thousands):

Salaries/Benefits	\$921,100
Supplies/Equipment	9,800
Services	<u>1,416,900</u>
 TOTAL NET REQUEST	 \$2,347,800

Salaries/Benefits/Premium Pay

The budget request includes salary, benefits and premium pay required to maintain the Board's staff complement of 7 full time civilian members.

In addition, funds are included for the remuneration of a full time Chair as well as honouraria and per diem payments for the citizen appointees to the Board. The remuneration rates for board members are established by City of Toronto Council.

It is important to note that the current 2011 request does not include any provision for the impact of any potential 2011 labour contract settlements.

Supplies/ Equipment

This account grouping provides funds for office supplies and the printing and binding of the Board's minutes. This account grouping has decreased from the 2010 budget.

Services

This account grouping provides funds for such items as conference attendance, business travel, cellular phone service, lease of a vehicle for the Board, rental of office equipment, and membership fees for the Board (eg. the Ontario Association of Police Boards, the Canadian Association of Police Boards).

Within this account area, \$1.3M is required for professional services. Key elements of the professional services accounts are as follows:

\$610,600 Contribution to a Reserve for Costs of Independent Legal Advice

This budget is required to deal with anticipated grievances, arbitration and other labour relations proceedings in 2011. From time to time, the Board may require legal advice independent of the advice provided by City Legal and of the labour relations legal advice provided by our contracted labour relations legal firm, Hicks Morley. It is very difficult to establish a budget in this area as the Board cannot necessarily forecast the number, scope or complexity of legal proceedings.

The Toronto Police Services Board cannot predict or control the number of grievances filed or referred to arbitration. The bargaining units have a right to bring matters to hearing, and the Board is responsible for bearing half of the arbitrator's fees and costs in addition to the costs of its own legal counsel for preparation and attendance at the hearings. Failure to defend grievances would result in an award whether the matter has merit or not. Since most grievances deal with human rights, employee discipline (including termination), the exercise of managerial rights and authority to direct the workforce, the implications of allowing these grievances to be unchallenged would be substantial, in both operational impact and financial impact.

\$680,000 for City Legal Chargeback

The amount requested is the same as the 2010 approved budget. City Council has directed that the cost of work performed by the City Legal Department be charged back to the Police Services Board. City Legal provides day to day legal advice to the Board, including policy development, contract management and may represent the Board in civil actions, human rights complaints, at Coroner's inquests and at various inquiries. The requested amount is equal to the Inter-Departmental Chargeback (IDC) reflected in the Legal Services budget at the City of Toronto.

Summary

The Board's 2011 operating budget request of \$2,347,800 represents a 0% increase over the 2010 budget.

Ms. Joanne Campbell, Executive Director, was in attendance and responded to questions by the Board about the foregoing report.

The Board inquired about the differences between the original budget submission which was 1.2% over the 2010 net approved budget and the foregoing revised budget submission which is a 0% increase over the 2010 net approved budget, excluding the impact of any 2011 labour contract settlements. Ms. Campbell advised the Board that efficiencies were identified in some non-salary accounts which netted out at a total of \$27,800.

The Board commended Chair Mukherjee and Ms. Campbell for reviewing the Board operating budget and delivering a revised budget request that incorporates increases to salaries and benefits due to Collective Agreement obligations and nets out at a 0% increase over the 2010 net approved budget.

The Board approved the foregoing report and agreed to forward a copy of the report to the City's Deputy City Manager and Chief Financial Officer for information and to the City's Budget Committee for approval.

The Board also approved the following Motion:

THAT, prior to the 2012 operating budget process, the Chair conduct a review of the civilian staffing requirements in the Board office and provide the Board with a report on the results of the review indicating whether or not any new staffing efficiencies were identified.

	2009 Final	2010 as of Dec 31st	2010 Budget	2011 Request	2011 Reg over 2010 Bud	% inc/ (decr) over 2010 Reg.
CIVILIAN SALARIES	773,100	785,649	809,100	812,100	3,000	
ALTERNATE RATE	1,834	0	0	0	0	
SHIFT BONUS	6	12	0	0	0	
TOTAL REGULAR SALARIES	774,940	785,661	809,100	812,100	3,000	0.1%
CIVILIAN OVERTIME	0	0	0	0	0	
CIVILIAN CALLBACK	0	0	0	0	0	
CIV LIEU TIME CSH PM	9,788	8,940	9,800	9,800	0	
TOTAL PREMIUM PAY	9,788	8,940	9,800	9,800	0	0.0%
EMPLOYMENT INSURANCE	8,317	8,177	8,400	8,600	200	
CANADA PENSION PLAN	18,297	18,513	20,600	20,800	200	
OMERS	57,377	60,508	61,400	69,800	8,400	
TOTAL BENEFITS	83,991	87,198	90,400	99,200	8,800	0.4%
STATIONERY AND OFF	2,534	4,433	7,800	7,400	(400)	
PRINTED MATERIAL	0	2,100	2,000	1,900	(100)	
BOOKS & MAGAZINES	443	0	500	500	0	
MISC MATERIALS	0	97	0	0	0	
FURNISHINGS	1,814	824	0	0	0	
COMPUTER HARDWARE	0	709	600	0	(600)	
OTHER OFFICE EQUIPMENT	0	1,515	0	0	0	
TOTAL SUPPLIES/EQUIPMENT	4,791	9,678	10,900	9,800	(1,100)	0.0%
PROFESSIONAL SERVICES - LEGAL	57,342	0	0	25,700	25,700	
PROF & TECH SERV INDUS	776,474	432,041	0	407,100	407,100	
PUBLIC RELATIONS/PROMOTIONS	15,183	17,560	25,000	16,600	(8,400)	
C-SVS MGMT/RES & REV	0	0	35,000	0	(35,000)	
C-SVS SVS EXT LAWYERS	41,760	26,873	600,000	203,500	(396,500)	
BUSINESS TRAV - MILEAGE ALLOWANCE	(424)	21	300	300	0	
BUSINESS TRAV - PUBLIC TRANSIT	0	5	0	0	0	
BUSINESS TRAV - OTHER EXPENSES	4,109	6,739	2,000	4,100	2,100	
CONF -OTHER EXPENSES	18,137	26,948	26,000	26,500	500	
COURSES/SEMINARS	0	0	10,000	8,500	(1,500)	
ADVERTISING & PROMOTION	10,001	8,885	15,000	10,300	(4,700)	
RENTAL OF VEHICLES	7,317	7,105	8,700	8,700	0	
RENTAL, OFF. EQUIP.	1,346	817	2,300	2,300	0	
REPAIR & MAINT FURN	410	147	0	0	0	
REIMB - MEMBERSHIP FEES	11,167	11,218	11,200	11,200	0	
PARKING EXPENSES (IN TOWN)	36	0	100	100	0	
WIRELESS DEVICES	550	0	800	0	(800)	
TELEPHONE	141	263	500	500	0	
CELLULAR TELEPHONES	5,439	4,364	8,200	8,400	200	
INTERNET	299	299	500	1,000	500	
COURIER SERVICES	0	6	0	0	0	
SERVICE & RENT GENERAL	1,012	1,818	2,000	2,100	100	
CONTRIBUTION TO RESERVES	0	450,000	0	610,600	610,600	
IDC - LEGAL SERVICES	595,733	366,351	680,000	680,000	0	
TOTAL SERVICES	1,546,032	1,361,460	1,427,600	2,027,500	599,900	25.6%
MISCELLANEOUS REVENUE	11,815	0	0	0	0	
CONTRIBUTION FROM RESERVES	0	279,733	0	610,600	610,600	
TOTAL REVENUE	11,815	279,733	0	610,600	610,600	26.0%
TOTAL	2,407,727	1,973,204	2,347,800	2,347,800	0	0.0%
Note: The above figures exclude adjustments to be made as part of routine year-end accounting processes						

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING
OF THE TORONTO POLICE SERVICES BOARD HELD ON JANUARY 11, 2011**

**#P13. TORONTO POLICE SERVICE – 2011 OPERATING BUDGET
SUBMISSION**

At a special meeting held on January 5, 2011, the Board was in receipt of a report dated December 22, 2010 from William Blair, Chief of Police, containing the Toronto Police Service 2011 operating budget submission. The Board referred the report to the Board's Budget Sub-Committee for further review and requested that, following the Budget Sub-Committee's review, it be re-considered at another special Board meeting to be scheduled no later than January 11, 2011 (Min. No. P5/11 refers).

A copy of the Chief's report dated December 22, 2010 follows:

Subject: TORONTO POLICE SERVICE - 2011 OPERATING BUDGET REQUEST

Recommendations:

It is recommended that:

- (1) the Board approve a 2011 net operating budget request of \$914.9 million (M), excluding the impact of any 2011 labour contract settlements, an increase of \$26.7M or 3.0% over the 2010 net approved budget;
- (2) the Board approve the addition of one civilian position and deletion of one uniform position, for a revised civilian establishment of 2,068 and a revised uniform establishment of 5,587;
- (3) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information; and
- (4) the Board forward a copy of this report to the City Budget Committee for approval.

Financial Implications:

The Toronto Police Service's 2011 operating budget request is \$914.9M net (\$986.9M gross). This is an increase of \$26.7M (3.0%) over the 2010 net approved budget of \$888.2M.

A summary of the Service's 2011 net operating budget request is provided in Table 1. The current contracts with the Toronto Police Association and Toronto Police Senior Officers' Organization expire on December 31, 2010. The 2011 budget request does not include any provision for the impact of new labour contracts which are expected to be completed in 2011. Table 1 reflects the 2011 operating budget request in comparison to the approved 2010 operating budget.

Table 1 - 2011 Budget Request Summary

	Comparison to 2010 Approved Net Budget	
	\$Ms*	% change
2010 Approved Net Budget	\$888.2	
2010 Salary Settlement impact (annualization)	\$6.0	0.7%
Other Collective Agreement impacts (e.g., reclass'n, medical, dental)	\$11.7	1.3%
Pension and statutory deductions impacts (EI, CPP, OMERS)	\$7.4	0.8%
Other impacts	\$1.6	0.2%
Sub-total of increases	\$26.7	3.0%
2011 Net Budget Request	\$914.9	3.0%

**amounts exclude impacts from 2011 labour contract settlements*

The Service's 2011 Operating Budget request contains no new uniform or civilian positions. Collective agreement obligations and higher statutory deductions requirements account for 94% (\$25.1M) of the increase over 2010. The remaining \$1.6M (6%) is required for contributions to reserves and to cover non-salary related increases and requirements.

Background/Purpose:

This report provides the Board with information on the Service's 2011 net operating budget request for consideration and approval. The budget request is the result of detailed reviews conducted by both the Service and the Board's Budget Sub-Committee, and reflects the level of funding required to deliver adequate and effective policing services to the City of Toronto.

Information on the 2011 operating budget request is provided within the following categories.

- Continuous Improvement Initiatives
- Key Crime and Other Indicators
- City Guidelines
- 2011 Operating Budget Development Process
- 2011 Operating Budget Request

Discussion:

Continuous Improvement Initiatives:

Managing for value has and will continue to be promoted across the Service to ensure the greatest return is provided on the City's investment in public safety. To this end, the Service is continually looking for ways to improve the delivery of policing and support services, as well as management practices.

Activities performed by uniform positions are regularly reviewed, and civilianization is implemented where appropriate. This year, an Information Technology (IT) auditor position was established in the Service's Audit and Quality Assurance unit by civilianizing a uniform position. This will help ensure the Service has a dedicated, trained IT auditor to evaluate the effectiveness, security and control over the Service's IT projects and infrastructure.

The Service has committed to reduce or eliminate new position requests for the foreseeable future. This will be accomplished through the internal review of business processes, with the aim of streamlining or changing existing procedures to enable the redeployment of staff time or positions. This will also help the Service absorb additional workload and new resource requirements as they arise. Through this process, the Service has been able to eliminate six additional civilian positions that were originally included in the 2011 budget request, as operating impacts from the In-Car Camera and Human Resource Management System (HRMS) Additional Functionality capital projects.

The Service is also in the process of conducting an asset management review, to confirm that equipment (e.g., workstations, printers, radios, etc.) is appropriately deployed and necessary, based on current requirements. This review will identify any opportunities for redeployment or rationalization of the existing inventories, and help minimize or eliminate new requests.

Provincial funding has also been leveraged to ensure the Service is able to continue the Toronto Anti-Violence Intervention Strategy (TAVIS), including the placement of dedicated School Resource Officers in various high schools. Federal funding from the Police Officer Recruitment Fund (PORF) has provided funding for 40 officers, and has been used to fund part of the dedicated policing unit for the City's transit system. The Operational System Support Group (OSSG) continues to analyze and improve key business/operational processes, and assist in the development of a new records management system to satisfy front-line and management information requirements.

Key Crime and Other Indicators:

Seven major crime indicators are used as a key barometer of crime within the City. Table 2 indicates that major crime is down in every category (except murders), and that overall crime has decreased by 7% in 2010, compared to 2009 (as of November 30, 2010).

Table 2 Major Crime Indicators – As at November 30

Offence	2008		2009		2010	
	% chg	Total	% chg	Total	% chg	Total
Murder	-15%	67	-19%	54	7%	58
Sexual Assault	2%	1,540	-2%	1,503	-9%	1,368
Assault	-5%	16,671	-4%	15,996	-4%	15,305
Robbery	-4%	4,052	-3%	3,912	-2%	3,850
Break and Enter	-11%	8,497	-6%	7,951	-8%	7,345
Auto Theft	-22%	6,142	-18%	5,023	-18%	4,119
Theft Over	-6%	943	-8%	865	-13%	752
Total	-9%	34,912	-7%	35,304	-7%	32,797

Provincial Offences Tickets have increased by 3.5% when compared to 2009 (598,424 issued as of November 30, 2010). Calls for service increased by 0.5% in 2010 (578,094 to the end of November) compared to 2009. Overall arrests are down 0.5% (51,248 by the end of November 2010). Investigated public complaints have increased by 74% (681 as of the end of November 30, 2010). The City has experienced five more fatal vehicle collisions (a total of 18) but 11 fewer pedestrian/cyclist fatalities (a total of 18), when compared to the same period in 2009. Absenteeism continues to be on the decline for both uniform and civilian members in the Service.

City Guidelines:

Each year the City issues general guidelines for budget development. The 2011 guidelines provided to City departments as well as Agencies, Boards and Commissions include the following general principles:

- Focus on implementing existing priorities within the base budget, and introduce no new initiatives;
- Achieve established reduction targets of a minimum of 5% of the 2009 Net Operating Budget in 2011;
- Review all services for efficiency, service level standards, and changes in relevance, in particular, for service efficiencies and relevance; and
- Maintain 2010 gapping rates for both 2011 and 2012, and review all vacancies.

2011 Operating Budget Development Process:

The development of the Service's 2011 operating budget commenced with specific instructions to all Service units to only consider increases if absolutely necessary (i.e., increases that are contractual in nature, a result of annualization, or an impact from the implementation of an approved capital project). Requests for new initiatives were not to be put forward unless they resulted in a net benefit to the Service by saving money, avoiding cost increases, increasing the efficiency and cost effectiveness of existing resources, or mitigating a significant risk. No requests for new positions were to be considered.

The Service develops its budget from a zero starting point wherever possible. A zero-based approach is used to develop all salary budgets, based on existing staff, approved staffing levels for both uniform and civilian positions, and anticipated attrition, hiring, leaves, etc. Salary-related benefits are calculated according to standard formulae, and estimates for accounts such as contracted/consulting services, maintenance services, equipment, and training and development, where the need and funding level required could change from year to year, are zero based. The remaining portion of the budget is developed based on historical actual experience, need and current information.

The Service's budget development and review process ensures that the budget request is fiscally responsible and addresses service demands. The 2011 funding requirements have been prepared by the respective Command areas, and reviewed in detail by each respective Command Officer and the Service's Budgeting and Control unit. The overall funding request and key line item information (increases and decreases) were then presented to, reviewed and approved by the Chief and Command.

In addition to the Service's internal budget review process, and consistent with previous years, the Board's Budget Sub-Committee (BSC) was provided with a line-by-line budget request and completed a detailed review of each Command's budget, as well as centralized accounts, over a series of five meetings.

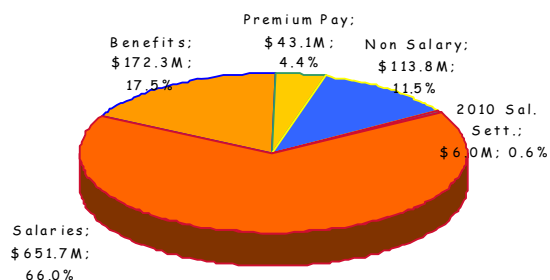
The Service's initial 2011 request was \$922.6M, a 3.9% increase over 2010. During the period of reviews with the Command, BSC and City staff, the following reductions (totalling \$7.7M) were achieved:

- \$2.3M was reduced as a result of more up-to-date information made available during the process: \$1.7M reduction in caretaking/maintenance/utilities, and \$0.6M reduction in computer maintenance;
- during deliberations with the BSC, the Chair requested further review of several areas, and this resulted in reductions of \$1.2M: \$0.7M reduction in the Service's premium pay request; \$0.3M reduction in training; and \$0.2M reduction to consulting services;
- a further review of all 2011 requirements allowed the Service to reduce budgets in various accounts, for a total of \$0.2M, and to eliminate the request for six additional positions that had been previously identified and approved as operating impacts from capital projects implemented. The Service has committed to reassign resources internally to meet these additional requirements. The funding request for these positions has been reduced by \$0.2M (\$0.3M remains to allow for the provision of required services until redeployment of responsibilities can be fully accomplished); and
- as part of the City staff budget review, the City Manager requested that the Service examine the potential of further reducing the 2011 budget request by \$3.8M. This reduction combined with the other previously identified reductions would result in a net operating budget request of \$914.9M, a 3% increase over the 2010 approved budget. In light of the City's financial pressures, the \$3.8M reduction has been included in the Service's 2011 budget request, and every effort will be made to achieve this reduction in 2011.

2011 Operating Budget Request:

The 2011 operating budget request of \$986.9M (gross) and \$914.9M (net) includes the funding required to maintain an average deployed strength of 5,598 officers (which is 19 below the deployment target of 5,617), as well as services and equipment required to effectively support operations. Funding

Breakdown of 2011 TPS Gross Budget Request



2011 Total Budget Request is \$986.9M (gross) or \$914.9M (net)
(excludes impact of 2011 salary settlement)

Figure 1 - Overall Budget Request

levels in the various non-salary accounts have been adjusted to reflect historical spending patterns and justified need, and one-time costs incurred in the previous year have been eliminated.

Figure 1 indicates that, on a gross basis, 88.5% of the Service's budget is for salaries and benefits. The remaining 11.5% is required for the support of our human resources in terms of the vehicles, equipment and information they use, facilities they work in, and training they require.

Further information on the Service's 2011 Operating Budget is available on the Toronto Police Services Board's website. Table 3 below summarizes the current 2011 request by category of increase, followed by a discussion on each category.

Table 3 - Summary of 2011 Budget Request By Category of Increase

	Request \$Ms*	Change \$Ms	% Increase / (Decrease) over 2010 Total Approved Budget
2010 Approved Net Budget - \$888.2M			
(a) Annualized Impact of Salary Settlement	\$6.0	\$6.0	0.7%
(b) Salary Requirements	\$651.7	\$9.2	1.0%
(c) Premium Pay	\$43.1	\$0.2	0.0%
(d) Statutory Deductions and Fringe Benefits	\$172.3	\$12.1	1.4%
(e) Reserve Contributions	\$31.2	\$1.5	0.2%
(f) Other Expenditures	<u>\$82.6</u>	<u>\$1.0</u>	<u>0.1%</u>
2011 Gross Budget Request	\$986.9	\$30.0	3.4%
(g) Revenues	<u>-\$72.0</u>	<u>-\$3.3</u>	<u>-0.4%</u>
2011 Net Budget Request	\$914.9	\$26.7	3.0%

**amounts exclude impacts from 2011 labour contract settlements*

(a) Annualized Impact of 2010 Salary Settlement

The 2008-2010 contract included staggered (January 1st, July 1st and December 1st) salary increases in 2010. As a result of these staggered increases, there is an annualized impact in 2011 of \$6.0M. The current contracts with the Toronto Police Association and Toronto Police Senior Officers' Organization expire on December 31, 2010. The 2011 budget request does not include any impact of new labour contracts, which are expected to be completed in 2011.

(b) Salary Requirements

The total salary budget for 2011 (exclusive of the annualized impact of the salary settlement) is \$651.7M. This budget represents an increase of \$9.2M (a 1.0% increase over the Service's total 2010 operating budget). The 2011 salary budget is based on the following:

- Human Resource (HR) Strategy for Uniform Members: During 2010 budget deliberations, the Board confirmed a uniform establishment of 5,588, and a target deployment number of 5,618 (to reflect 30 TAVIS-funded School Resource officers). During 2010, one uniform position was civilianized to enable the establishment of an information technology auditor in the Audit and Quality Assurance unit. This reduced the approved uniform establishment to 5,587 and deployment target to 5,617.

HR projects the number of officers that are anticipated to retire or resign in 2011-2013. This information is then used to plan class sizes for the three intake classes held annually by the Ontario Police College (April, August, December), with the goal of maintaining an average deployed strength of 5,617 officers. This deployment target will not be achieved in 2011, as uniform hiring was reduced and deferred in 2010 to address budget pressures. The 2011 budget assumes the average deployment number in 2011 will be 5,598 officers, an increase from 5,578 budgeted in 2010, but still below the authorized target of 5,617.

2011 separations are projected at 220; and 2011 hires are projected at 233. The impact of the 2011 HR strategy (part-year savings of those leaving through the year, and the part-year costs of those being hired through the year), has the net effect of reducing the Service's budget by \$4.4M in 2011.

Separations are monitored on a monthly basis to allow the Service to adjust its hiring projections as required. Based on actual experience, the Service will revise its projected hiring needs as required throughout 2011.

Given that the Service budget is based on actual salary levels as well as the timing of hires and separations, these impacts must be annualized in the following year. The 2011 annualized net impact of 2010 hires and separations is an increase of \$4.1M.

In addition, officers are hired at a recruit salary rate, and continue to move up through the ranks. This creates annual budget pressures until officers become first-class constables (a four-and-a-half year process from date of hire). The cost of these reclassifications in 2011 is \$8.4M.

- HR Strategy for Civilian Members: The current Board-approved civilian establishment is 2,068 positions (the 2010-approved establishment of 2,067 increased by one to reflect the civilianization of one position). This establishment pertains to the permanent full-time complement of the Service (including court security officers), but excludes members of the Board office, the Parking Enforcement unit, part-time and temporary personnel.

Civilian vacancies are replaced as they occur, and a six-month salary gap is assumed for each anticipated vacancy (with the exception of positions that must be fully staffed, such as Communication Operators and Court Officers). Civilian gapping in 2011 is at 3.6% (unchanged from 2010). 2011 projected civilian separations are estimated at 90, based on previous separation experience. As with the uniform personnel, civilian separations are monitored very closely and the Board will be updated on any significant change to this estimate through the budget variance reports.

Civilian salaries change annually based on anticipated increments, and the annualization of previous years' decisions, as well as any changes in trends regarding separations and leaves. Civilian salaries are increasing by \$1.1M in 2011, primarily resulting from increments and the annualization of 11 revenue-funded Court Officer positions approved in 2010.

(c) Premium Pay

Premium pay 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), court attendance scheduled for when the officer is off duty, or callbacks (e.g., when an officer is required to work additional shifts to ensure appropriate staffing levels are maintained or for specific initiatives). Figure 2 provides a breakdown by category of premium pay.

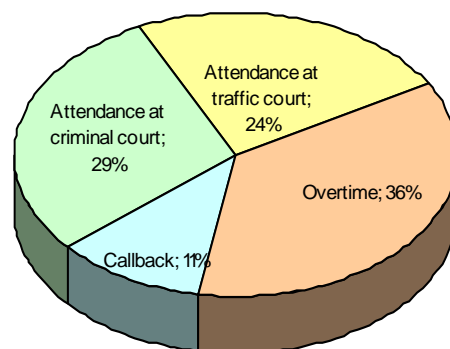


Figure 2 – Premium Pay by Reason for Expenditure

The total premium pay budget for 2011 (exclusive of the annualized impact of the salary settlement) is \$43.1M. This budget represents an increase of \$0.2M (0.03% increase over the 2010 total budget). The 2011 budget request for premium pay is based on anticipated 2010 requirements taking into account prior years' spending history, estimated changes in activity levels and Service initiatives that may impact the requirement for premium pay. The \$0.2M increase is attributed to an increase in the court budget related to off-duty court attendance. In 2006, the Service and the City embarked on an initiative whereby officers required to attend Provincial Offences Act (POA) court are scheduled to do so off duty, to ensure officers are able to attend court as required. This initiative is fully funded by revenue from the City of Toronto's Court Services, and there is a corresponding increase of \$0.2M in the revenue category (discussed later in this report), resulting in no net impact on the overall Service budget.

(d) Statutory Deductions and Fringe Benefits

This category of expenditure represents an increase of \$12.1M (a 1.4% increase over the Service's total 2010 budget). As shown in Figure 3, fringe benefits for the Service are comprised of statutory deductions and requirements as per the collective agreements.

- Ontario Municipal Employees Retirement System (OMERS): The contribution rate for OMERS will be increasing by 1% of salaries effective January 2011. As a result the OMERS budget will require an additional \$6.9M in 2011.

- Other Payroll Deductions: Other statutory payroll deductions (EI, CPP and EHT) are based on specific formulae that are affected by gross salaries. The rates for CPP and EI are adjusted annually, and in 2011, both of these costs have increased. Total costs are projected to increase by \$0.6M.

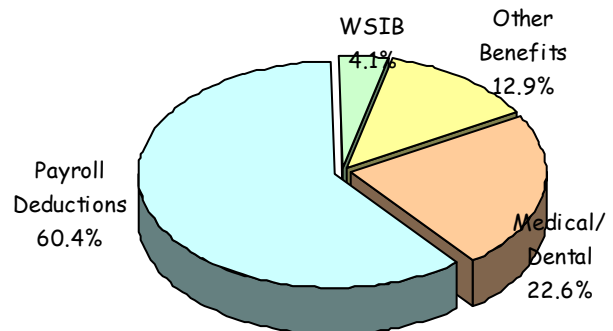


Figure 3 - Breakdown of Statutory Deductions and Fringe Benefits

- Medical/dental costs: The budget for these costs is based on the cost of drugs and services as well as utilization rates. In 2011, these costs are projected to increase by \$1.5M. These increases are based on the average increase experienced over the last four years and, as in previous years, are substantially less than the increase projected by the benefits insurance industry.
- Workplace Safety and Insurance Board (WSIB): Medical, pension and administration costs for WSIB are projected to increase by \$0.5M in 2011. The budget for these accounts is based on the Service's historical trends for these expenditures.
- Net other changes to benefits: The remaining \$2.6M increase is for benefits funded by reserves, and is offset through an increase in revenue (draws from Reserves).

(e) Reserve Contributions

The Service contributes to reserves and reserve funds through provisions from its operating budget. All reserves and reserve funds are established by the City. The City manages the Sick Pay Gratuity and Insurance reserves, while the Service manages the remainder.

The Service projects the long-term requirements of its various reserves with the goal of achieving stable contribution levels for the long term. Two reserves (the Vehicle and Equipment and the Health Care Reserve) continue to require increases to their contribution levels. The Vehicle and Equipment Reserve is used to fund the lifecycle replacement of our fleet of vehicles, information technology equipment, and various other equipment items. The 2011 contribution for this reserve is increasing by \$1.1M and, based on current projections, will stabilize in 2013. The Health Care Spending Reserve is used to fund the post-retirement health care benefit negotiated in the 2008-2010 collective agreements. The 2011 contribution for this reserve is increasing by \$0.1M. It is anticipated that this contribution will continue to increase at a modest rate for several years into the future.

The Central Sick Bank Reserve funds salaries for staff that have exhausted regular sick time and are on long-term sick leave. Funding for this reserve has historically been dictated by the Collective Agreement and is currently being negotiated between the Toronto Police Association and the Board. Pending any resolution to this issue, funding for this reserve is being managed to ensure sufficient funds are in the reserve to pay out anticipated costs in 2011. Accordingly, contributions have been increased in 2011 by \$0.3M.

It should be noted that no provision has been included in this budget request for increased contributions required to the Sick Pay Gratuity Reserve. Following discussions with City staff, the additional \$6.5M that the City has advised should be contributed annually to this reserve, has been deferred due to the financial constraints the City is facing.

(f) Other Expenditures

The remaining expenditure categories include the materials, equipment and services required for day-to-day operations. Wherever possible, accounts within this category have been flat-lined to the 2010 level. Increases have only been included if they are a result of a contractual obligation, an impact from a completed capital project, and/or based on actual historical experience. One-time reductions have been taken into account where applicable. The total increase for these expenditures is \$1.0M (a 0.1% increase over the Service's total 2010 budget). The following summarizes the most significant changes:

- Caretaking, Maintenance and Utility Costs for TPS facilities (increase of \$0.5M): The City initially estimated that a \$2.2M increase would be required to this budget. However, after discussions between Service and City staff to determine appropriate service levels for caretaking and maintenance, the initial increase was reduced by \$1.7M. The remaining increase of \$0.5M is due mainly to increased costs for salary settlement increases for City staff, and increases in utility costs.
- Computer Maintenance (decrease of \$0.6M): The Service has been moving gradually from a lease to a purchase strategy for IT-related equipment replacement, and the Service no longer has any computer lease contracts. As computer equipment is purchased (either for replacement, or as a result of new system implementation), maintenance contracts are entered into. Procurement processes conducted in 2010 have resulted in favourable maintenance contracts and expenditures for 2011, resulting in a decrease of \$0.6M to the 2011 operating budget request for these requirements.
- Telephone and Data Lines (increase of \$0.7M): The cost for voice lines is projected to increase as a result of some moves and construction (for example, additional lines in the Major Incident Command Centre (MICC) and the new 11 Division facility). In addition, the 2011 budget includes the impact of additional line costs for the transition period during which the Service is moving from leased data lines to TPS-owned fibre, or to Cogeco leased fibre.

- Vehicle maintenance (decrease of \$0.3M): Total budgets related to vehicle preparation, maintenance, parts and rental have been decreased based on a lower estimated average repair costs for Service vehicles.

Operating impact from Capital (increase of \$0.6M): When the capital budget is prepared, estimated operating budget impacts are included as part of the business case, and are identified to the Board during its consideration and approval of each project in the Capital Program. The majority of the operating impact from capital projects in 2011 relates to the In-Car-Camera project. On-going costs will be incurred for the installation and maintenance of the in-car cameras. When the In-Car Camera project started, a requirement of five civilian positions was identified to address the increased workload from and on-going support required for this new system. However, as previously indicated in this report, the Service has reviewed its processes and reassigned responsibilities internally to meet these additional requirements. As a result, the operating impact for this project has been reduced to \$0.5M, for materials and services to maintain this system. The Service has also removed its request for one additional position related to HRMS Additional Functionality project. Other operating impacts from capital include the on-going maintenance costs for the MICC and TPS Links.

- Net other changes to expenditures (\$0.1M): Various other accounts are increasing or decreasing by small amounts, due to known changes or based on historical trends, with an overall impact of \$0.1M.

(g) Revenue

All revenue accounts have been analyzed and adjusted to reflect 2010 experience and/or known changes in 2011. Total revenue has been increased by \$3.3M, resulting in a 0.4% decrease over the Service's total 2010 budget. The following outlines the most significant changes:

- Loss of one-time funding (\$1.1M decrease): The Service deployed officers to the Winter Olympics in Vancouver in 2010. The RCMP reimbursed the Service for the cost of the officers provided, resulting in a one-time revenue amount of \$1.1M. Loss of this one-time revenue in 2010 is now creating a 2011 pressure.
- Off-Duty POA Court Attendance (\$0.2M increase): As discussed in the premium pay section of this report, there is an anticipated increase in City recoveries for this initiative, in the amount of \$0.2M.
- Draw from Reserves (\$2.5M increase): This draw has a net-zero impact as there is a corresponding increase in the estimated expense in the fringe benefits area, discussed earlier in this report.
- Other Revenue (\$1.7M increase): Various other revenue accounts have been adjusted based on 2010 experience (e.g., paid duties, city recoveries). This has resulted in increased revenue of \$0.4M.

The 2010 approved budget included a one-time unallocated reduction of \$5.9M (Min. No. P58/10 refers). \$3.4M of this unallocated reduction was allocated to salaries, and was accomplished through the reduction and deferral of recruit classes in 2010. The remaining \$2.5M remained unallocated in the Service's revenue accounts. This year, following a meeting with the City Manager and in light of the City's financial pressures, the Service has agreed to a \$3.8M additional reduction. This reduction has been allocated as an increase to the revenue accounts until the Service can better determine how to achieve the reduction. This results in a net revenue increase of \$1.3M over 2010.

Conclusion:

The Toronto Police Service's 2011 net operating budget request of \$914.9M is \$26.7M or 3.0% higher than the 2010 net operating budget of \$888.2M. The 2011 budget request includes the funding required to achieve an average deployed strength of 5,598 officers, up from 5,578 budgeted in 2010, but still below the deployment target of 5,617, as well as the necessary supporting infrastructure (e.g., civilian staffing, equipment, services). No new uniform or civilian positions have been included in the budget request. Funding levels in the various non-salary accounts have been adjusted to reflect historical spending patterns and justified need, and one-time costs incurred in the previous year have been eliminated. The current collective agreements expire December 31, 2010, and the 2011 budget request does not include the impact of these labour contracts which are expected to be completed in 2011.

It is important to note that 94% (or \$25.1M) of the total budget increase over 2010 is required to fund collective agreements obligations (\$11.7M), the annualization of staggered 2010 cost of living increases (\$6.0M) and higher statutory deductions (in particular increased OMERS contributions - \$6.9M). The remaining 6% (\$1.6M) is required to fund increased contributions to reserves and other non-salary-related expenditures, as well as changes to revenues.

This budget request has been reviewed in detail by the Service and the Board's Budget Sub-Committee. All opportunities for reductions have been incorporated and the budget being presented to the Board for approval represents the funding level required to provide adequate and effective public safety services to the City. Operational and management processes will continue to be reviewed to identify any possible efficiencies and ensure risks are properly mitigated, such that the greatest value is achieved from the resources and funds allocated to the Service.

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command will be in attendance to answer any questions from the Board.

cont...d

Following a Budget Sub-Committee meeting that was held on January 10, 2011, Chief Blair provided a report dated January 11, 2011 containing a revised Toronto Police Service 2011 operating budget submission to the Board for its special meeting on January 11, 2011. A copy of the revised 2011 operating budget submission follows:

Subject: TORONTO POLICE SERVICE 2011 OPERATING BUDGET – REVISED REQUEST

Recommendations:

It is recommended that:

- (1) the Board approve a revised 2011 net operating budget request of \$905.9 million (M), excluding the impact of any 2011 labour contract settlements, an increase of \$17.7M or 2.0% over the 2010 net approved budget;
- (2) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information; and
- (3) the Board forward a copy of this report to the City Budget Committee for approval.

Financial Implications:

The Toronto Police Service's revised 2011 operating budget request is \$905.9M net (\$977.9M gross). This is an increase of \$17.7M (2.0%) over the 2010 net approved budget of \$888.2M.

The current contracts with the Toronto Police Association and Toronto Police Senior Officers' Organization expired on December 31, 2010. The 2011 budget request does not include any provision for the impact of new labour contracts which are expected to be completed in 2011.

Background/Purpose:

At its meeting on January 5, 2011, the Board considered a report from the Chief of Police on the Service's 2011 operating budget request. The Board deferred approval of the Service's request and referred it to the Board's Budget Sub-Committee for further review. It also requested that "the Chief of Police provide a detailed report with a line-by-line breakdown of the portion (2.8%) of the 3.0% recommended increase that is related to contractual obligations and that the report also include the costs associated to cleaning and caretaking services" (Min. No. P5/2011 refers).

This report responds to the Board's request for the breakdown of the budgetary increase over 2010. It also provides information on the allocation of the \$3.8M reduction included in the 2011 request submitted to the Board on January 5, 2011, and recommends an additional reduction to the Service's 2011 budget request.

Information in response to the Board's request on cleaning and caretaking services is provided in a separate report to the January 11, 2011 meeting of the Board.

Discussion:

The Service's operating budget process started in May, 2010. The operating budget was premised on:

- maintaining the Service's approved establishment of strength for both uniform and civilian positions;
- no additional uniform or civilian positions;
- no new initiatives unless they saved money, mitigated a significant risk or resulted in additional cost avoidance or other efficiencies; and
- keeping non-salary requirements to an absolute minimum.

The Service's budget process included various reviews by the Command and the Board's Budget Sub-Committee. Various adjustments were made to the Service's initial request as a result of these reviews.

In addition, the Service's request was reviewed by City staff, including the City Manager and the City's Deputy City Manager/Chief Financial Officer. At a budget review wrap-up meeting on November 19, 2010, the City Manager asked the Service to consider reducing its request by a further \$3.8M. The Chief agreed with the City Manager's request and directed that it be incorporated into the Service's operating budget request to the Board, on the understanding that it would be achieved without staffing implications. The budget presented to the Board at its January 5, 2011 meeting included this \$3.8M reduction as an unallocated amount.

The meetings with City staff also included a discussion of the implications of reducing the Service's budget by 5%. As in previous years, the Service advised the City Manager that a reduction of this magnitude would necessitate significant staffing reductions, which could not be achieved without layoffs.

Breakdown of the 3.0% Recommended Increase:

As reported to the Board at its January 5, 2011 meeting, the Service's 2011 Operating Budget request increased by \$26.7M or 3% over the approved 2010 operating budget. This increase was comprised of:

- \$25.1M (or 2.8%) that is required to meet the Service's collective agreement obligations and increased statutory deductions and pension requirements; and
- \$1.6M (or 0.2%) to meet the Service's other non-salary requirements.

Table 1 provides a breakdown of these amounts, in response to the Board's motion:

Table 1. Breakdown of \$26.7M increase in 2011 Budget (\$Ms)

	2011 Request	% chg over total 2010 approved
Current Collective Agreement / Legislative Requirement Impacts:		
- 2010 Salary Settlement impact (annualization)	5,980.6	0.67%
- Impact of 2010 and 2011 hires and separations	(364.5)	-0.04%
- Impact of 2010 and 2011 uniform reclassifications	8,429.5	0.95%
- Other salary impacts (maternity, parental, increments, etc.)	1,102.5	0.12%
- Negotiated benefits pressures	2,479.1	0.28%
- 2011 OMERS rate increase	6,327.8	0.71%
- remaining payroll deductions (EI, CPP, EHT, base OMERS rate)	1,083.7	0.12%
- Uniform cleaning vouchers	21.0	0.00%
Sub-total	25,059.7	2.82%
Other Impacts		
- Contribution to Vehicle & Equipment Reserve	1,200.0	0.14%
- Other expenditures (e.g. caretaking, contracts)	974.4	0.11%
- Other revenues	(574.2)	-0.06%
	1,600.2	0.18%
TOTAL	26,659.9	3.00%

Table 2 provides a breakdown of the previously unallocated \$3.8M budget reduction, for the Board's information:

Table 2. Summary of Reductions to Attain \$3.8M

Category of Accounts	<u>Reduction to Attain \$3.8M (\$)</u>	<u>%age of All Reductions During Review Process</u>
Books & Magazines	24,300	25.0%
Advertising	9,000	10.0%
Public Relations / Promotions	51,100	15.0%
Miscellaneous Materials	39,000	10.0%
Membership Fees	28,200	20.0%
Office Supplies	85,800	5.0%
General Equipment	68,200	10.0%
Training (conferences, courses, seminars)	400,000	21.8%
Computer maintenance	300,000	8.1%
Benefits (medical / dental)	500,000	1.3%
Premium Pay	1,900,000	6.6%
Tenant Renovations	100,000	11.2%
Consulting / Contracted Services	100,000	11.9%
Miscellaneous Revenues	194,400	n/a
	3,800,000	

Further Budget Reductions:

In addition to the \$3.8M reduction, the Chief has directed that uniform and civilian hiring be deferred. This results in a savings of \$7.6M in 2011.

The Service will also reduce its original request for reserve contributions by \$1.4M.

These two actions result in a total reduction of \$9M to the Service's original submission to the Board on January 5, 2011.

Conclusion:

This report provides the information requested by the Board with respect to the Service's 2011 operating budget request. The report also provides an allocation of the previously unallocated \$3.8M budget reduction, and recommends a further \$9M reduction for the Board's consideration. The revised 2011 operating budget request of \$905.9M is provided in Table 3 below.

Table 3 - Revised 2011 Toronto Police Service Budget Request

	Comparison to 2010 Approved Net Budget	
	\$Ms*	% change
2010 Approved Net Budget	\$888.2	
2010 Salary Settlement impact (annualization)	\$6.0	0.7%
Other Collective Agreement impacts (e.g., reclass'n, medical, dental)	\$11.7	1.3%
Pension and statutory deductions impacts (EI, CPP, OMERS)	\$7.4	0.8%
Other impacts	\$1.6	0.2%
Sub-total of increases	\$26.7	3.0%
2011 Net Budget Request as submitted to Jan 5/11 Board meeting	\$914.9	3.0%
Further reduction directed by Chief	-\$9.0	-1.0%
Revised 2011 Net Budget Request	\$905.9	2.0%

**amounts exclude impacts from 2011 labour contract settlements*

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command will be in attendance to answer any questions from the Board.

The following persons were in attendance and delivered deputations to the Board:

- **Miguel Avila***; and
- **John Sewell***.

*** written submissions also provided; copies on file in the Board office.**

Mr. Tony Veneziano, Chief Administrative Officer, was in attendance and responded to questions by the Board about the revised 2011 operating budget submission.

Mr. Veneziano said that the revised operating budget submission is \$9.0M lower than the previous budget request submitted to the January 5, 2011 meeting of the Board, and that approximately \$17.0M in reductions have been achieved since the beginning of the Service's 2011 operating budget process.

Chief Blair advised the Board that the deferral of uniform and civilian hiring would be for the 2011 budget year only, and that he will ensure the deferral will not compromise the safety of the citizens in Toronto.

The Board commended Chief Blair, Mr. Veneziano and the Finance and Administration staff for their efforts in reducing the budget request by working diligently to identify the additional efficiencies and it expressed appreciation to Chief Blair for his exemplary leadership and understanding of the challenges that the City of Toronto is experiencing.

The Board approved the Chief's report dated January 11, 2011 and agreed to forward a copy of the report to the City's Deputy City Manager and Chief Financial Officer for information and to the City's Budget Committee for approval.

The Board also approved the following Motions:

- 1. THAT the Board receive the deputations and the written submissions from Mr. Avila and Mr. Sewell; and**
- 2. THAT the quarterly operating budget variance reports that are submitted to the Board in 2011 include the impact, if any, of the deferral of uniform and civilian hiring on the Toronto Police Service.**
- 3. THAT the Board receive the Chief's report dated December 22, 2010.**

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING
OF THE TORONTO POLICE SERVICES BOARD HELD ON JANUARY 11, 2011**

**#P14. TORONTO POLICE SERVICE – PARKING ENFORCEMENT UNIT:
2011 OPERATING BUDGET SUBMISSION**

The Board was in receipt of the following report December 20, 2010 from William Blair, Chief of Police:

Subject: 2011 OPERATING BUDGET REQUEST FOR THE TORONTO POLICE
SERVICE PARKING ENFORCEMENT UNIT

Recommendations:

It is recommended that:

- (1) the Board approve a 2011 net Operating Budget request of \$39.5 Million (M), a zero increase over the 2010 net approved budget, excluding the impact of any 2011 labour contract settlement;
- (2) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer for information; and
- (3) the Board forward a copy of this report to the City Budget Committee for approval.

Financial Implications:

The 2011 net operating budget request of \$39.5M represents a zero increase over the approved 2010 net operating budget.

Background/Purpose:

The purpose of this report is to provide the Board with the Parking Enforcement Unit's (PEU) 2011 net operating budget request for consideration and approval.

Discussion:

The PEU assists with the safe and orderly flow of traffic by responding to parking concerns and enforcing applicable municipal by-laws. The unit also provides operational support to the Toronto Police Service (TPS). The PEU operating budget is separate from the Service's operating budget, and is included in the City's consolidated Parking Tag Enforcement Operations budget.

The annual operating budget process requires the Board to approve the PEU budget request and then forward the approved request to the City. Information regarding the budget development process as well as detail on specific impacts to the 2011 PEU operating budget request is provided below.

2011 Operating Budget Development Process:

The PEU budget request was developed using the following guiding principles:

- reallocate within existing budget wherever possible to accommodate pressures;
- budget for known plans, including staffing requirements;
- defer service enhancements or expenditures where risk of liability associated with deferral is low; and
- ensure proposed service enhancements (if any) are consistent with Service priorities.

The 2011 funding requirements were prepared by PEU and reviewed by the Service's Budgeting and Control unit. The overall funding request and key line item information (increases and decreases) were then presented to and reviewed by the Command and the Police Services Board Budget Sub-Committee.

2011 Operating Budget Request:

The table below summarizes the PEU 2011 net operating budget request by category.

2011 Budget Request Summary	Request (\$thousands)*	Change (\$thousands)	Change (% over 2010 Total Budget)
2010 Approved Budget - \$39,513.3			
(a) Annualized Impact of Salary Settlement	\$213.8	\$213.8	0.54%
(b) Salaries and Premium Pay	\$27,937.2	(\$657.4)	(1.66%)
(c) Fringe Benefits	\$6,241.6	\$302.9	0.77%
Sub-total, Salaries and Benefits	\$34,392.6	(\$140.7)	(0.36%)
(d) Non-salary	\$5,120.7	\$140.7	0.36%
Total 2011 Budget Request	\$39,513.3	\$0.0	0.00%

** All amounts exclude impacts from any potential 2011 contract settlements*

(a) Annualized Impact of 2010 Salary Settlement

The current contracts with the Toronto Police Association and Toronto Police Senior Officers' Organization expire on December 31, 2010, and no assumptions have been made regarding any impact from a potential 2011 labour contract. However, the 2008 to 2010 salary settlement will result in annualized impact of \$0.2M in 2011. This impact is a result of the staggered nature of the salary increases awarded for 2010.

(b) Salaries and Premium Pay

The 2011 PEU budget maintains the approved current staff complement. The total salary and premium pay budget for 2011 as reflected in the table above, is \$27.9M. This budget represents a decrease of \$657,400 from the 2010 salary budget. The decrease in salaries is due to a reduction in premium pay related to attendance at court.

In 2009, the City opened several additional court rooms to address an increased backlog of court cases, arising from a significant increase in demand by members of the public to contest parking infractions. These additional court rooms resulted in increased court attendance by Parking Enforcement Officers.

Parking Enforcement has very limited flexibility with respect to attendance at court. If members attend court off-duty, premium pay expenditures are incurred. If members do not attend court, the parking infractions will be revoked. If court schedules are changed so that members can attend court while on duty, there will be a decrease in enforcement while members attend court. Therefore, members are scheduled to attend court off duty, whenever possible. This has resulted in premium pay pressures, and the premium pay budget for Parking Enforcement was increased during 2009 and 2010 to address this impact.

During 2010, the premium pay pressures did not materialize to the extent anticipated. The uptake on call back (overtime) assignments required to maintain enforcement levels has been less than anticipated. Consequently, based on actual experience in 2010, Parking Enforcement is able to reduce the 2011 premium pay budget request by \$663,900. Minor increases in other salary items of \$6,500 result in an overall reduction of \$657,400 for this category.

(c) Fringe Benefits

The total fringe benefits budget for 2011 (exclusive of salary settlement) is \$6.2M. This budget represents an increase of \$302,900 over the 2010 fringe benefits budget.

Fringe benefits are largely comprised of expenditures directly related to salary costs (e.g. pensions, employment insurance) and expenditures for self-insured coverage (e.g. medical/dental). The budget for payroll deductions is based on the number of employees and their respective salaries. The payroll deductions have increased by \$254,400 in 2011, primarily due to an increase in the OMERS contribution rate. Other benefits have increased by \$48,500 in 2011 and the majority of this increase is for medical/dental coverage.

(d) Non-Salary

Non-salary accounts constitute 13% (\$5.1M) of the net budget. The 2011 budget represents an increase of \$140,700 over the 2010 non-salary budget. The \$140,700 increase is mainly attributable to maintenance costs for handheld parking devices as a result of the anticipated replacement of the handheld parking devices during 2011. The maintenance cost was previously included as part of the initial purchase price under the capital budget.

Conclusion:

The PEU's 2011 operating budget request is \$39.5M, a zero increase over 2010. This budget request excludes the impact of any 2011 labour contract settlements (the current contract expires December 31, 2010). This budget projects the same level of enforcement as in 2010, with a projected issuance of 2.8M tags. The budget request has been reviewed by the Service and the Board's Budget Sub-Committee, and is recommended for Board approval.

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command and Deputy Chief Anthony Warr, Specialized Operations Command, will be in attendance to answer any questions from the Board.

The Board approved the foregoing report and agreed to forward a copy of the report to the City's Deputy City Manager and Chief Financial Officer for information and to the City's Budget Committee for approval.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING
OF THE TORONTO POLICE SERVICES BOARD HELD ON JANUARY 11, 2011**

#P15. OUTSOURCING OF CARETAKING SERVICES

The Board was in receipt of the following report January 11, 2010 from William Blair, Chief of Police:

Subject: OUTSOURCING OF CARETAKING SERVICES

Recommendations:

It is recommended that the Board request the City's Budget Committee, in consultation with the City Manager, to pursue the feasibility of contracting out custodial and maintenance services for all police facilities.

Financial Implications:

Total facility cleaning costs for the Toronto Police Service (TPS) are estimated at \$8.2M in 2011. A cursory comparison of the cost to clean two recently built TPS facilities that are very similar in size was performed by the TPS. Cleaning services for 43 Division are provided by outside contractors; 23 Division is cleaned by City staff. Based on information provided by the City Facilities and Real Estate Division, the cost to clean 43 Division is about 47% less than 23 Division. Consequently, contracting out the cleaning of all police facilities could result in considerable savings and should be considered by the City. The actual savings of contracting out are not known at this time, and would be dependent on the results of a full procurement process for these services by the City. In addition, any collective agreement implications would have to be considered.

Any savings resulting from the contracting out of facility cleaning services would be reflected as part of reduced chargebacks by the City to the TPS in the appropriate budget year and upon implementation.

Background/Purpose:

At its meeting on January 5, 2011, the Board considered a report from the Chief of Police on the Service's 2011 operating budget request. In considering the operating budget request, the Board requested information on the costs associated with cleaning and caretaking services (Min. No. P05/11 refers).

This report responds to the Board's request.

Discussion:

The cleaning of the majority of the Service's 40+ facilities is performed by City Facilities staff. Three facilities are cleaned by outside contractors. Cleaning of all facilities (whether performed by City Facilities staff or outside contractors) is managed by the City, and the TPS is charged back for these cleaning costs as well as utilities and other facility operating costs.

Alternate service delivery models for custodial services have been considered over the years, with the goal of maximizing service and saving money in this area.

- In 1994, an external consulting firm was retained by the TPS to review overall caretaking and maintenance services, establish standards and acceptable levels of service and develop a staffing level and training program. As a result of this study, and further work with the external consultant and then-Metro Toronto staff, service improvements and cost reductions were realized.
- In 1996, a Task Force chaired by the then-Metro Auditor reviewed opportunities for cost reduction. One of the recommendations was to look at the feasibility of contracting out the caretaking and maintenance services (Min. No. P63/97 refers). At that time, the TPS retained the services of the same external consultant that was engaged in 1994 to review the status of their earlier recommendations, and identify any areas for further cost reductions. The largest potential area for savings identified by the consultant was the contracting out of cleaning services. At that time, the Board authorized the TPS to enter into discussions with the City of Toronto regarding the contracting out of cleaning services. Discussions on this matter occurred at various City standing committees, however, this initiative was never formally approved.

Contracting out of custodial and maintenance services has been put forward by the TPS, and approved by the Board for consideration by the City, several times since the mid-1990s (Min. Nos. P57/98, P9/99, P319/02, P329/03 refer). The TPS continues to support finding the most cost-effective means to clean TPS facilities, and during the past five years has raised this matter with the Board's Budget Sub-Committee as an area to be explored for potential cost savings.

Conclusion:

Caretaking services for existing TPS facilities are provided and managed by City Facilities staff. TPS has always been supportive of any initiative that will provide the necessary cleaning services to our facilities at the lowest cost, and has no issue with the City considering the contracting out of these services.

It is therefore recommended that the Board request the City to pursue this initiative as a potential cost savings measure.

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command will be in attendance to answer any questions from the Board.

Following a discussion, the Board approved the foregoing report.

**THIS IS AN EXTRACT FROM THE MINUTES OF THE SPECIAL PUBLIC MEETING
OF THE TORONTO POLICE SERVICES BOARD HELD ON JANUARY 11, 2011**

#P16. ADJOURNMENT

Alok Mukherjee
Chair