



Toronto Police Service

2019 Operating Budget Request

Presentation to the Toronto Police Services Board

January 24, 2019

TPS Budget 2019

This material is general information for discussion purposes only. Please refer to Toronto Police Services Board and City of Toronto websites for official submissions.

BUDGET BY THE NUMBERS



At the Toronto Police Service, our mission is Community Safety - to keep Toronto the safest place to be.

TPS



\$1,026.8M

Net 2019
operating
budget



3%

Increase in
operating budget
over 2018



87%

Operating budget
allocated towards
people



\$218.0M

Net Debt
Funded
2019-2028
Capital Budget



4,730

Average uniform
deployed strength
2019



800 +

People to be hired
across uniform
and civilian roles

Goals guided by The Way Forward



Be where the public
needs the Service the most



Embrace partnerships to
create safe communities



Focus on the complex
needs of a large city

TPS Budget 2019



Budget priorities



Maintain sufficient staffing levels
and deploy resources effectively
to keep a growing city safe



Enhance capabilities to continue
modernization journey



Fiscal discipline and
accountability to achieve value,
transparency and sustainability

2018 RESULTS & CHANGING LANDSCAPE

INE- DO NOT CROSS
PPERS- 1-800-222-8477 (tips)

POLICE
CALL CRIME S

Changing nature of crimes requires an investment in changing the way the Service engages with the community.

Build on 2018 results



~ 27,000
Arrests



8,000+ R.I.D.E.
officer hours resulting
in **100,000+** vehicles
stopped



2 Million +
Parking Tags issued



~ 2 Million
Calls for
service
taken by 9-1-1



600,000 +
Calls attended
by front-line
officers



~ 30,000
Vehicles towed



1,000 +
Guns seized



~ 50%
Clearance rate for
all major crimes



\$17.5M
Lifecycle replacement
of major vehicles and
equipment

Adjust for the changing landscape of public safety



Homicides



Cybercrime



Guns and Gangs



**Higher
number of
calls for
service**



**Cannabis
Legalization**



**Mobile Officer
& Body Worn
Cameras**

IMPROVEMENTS AND EFFICIENCIES

The budget reflects improvements and efficiencies gained.

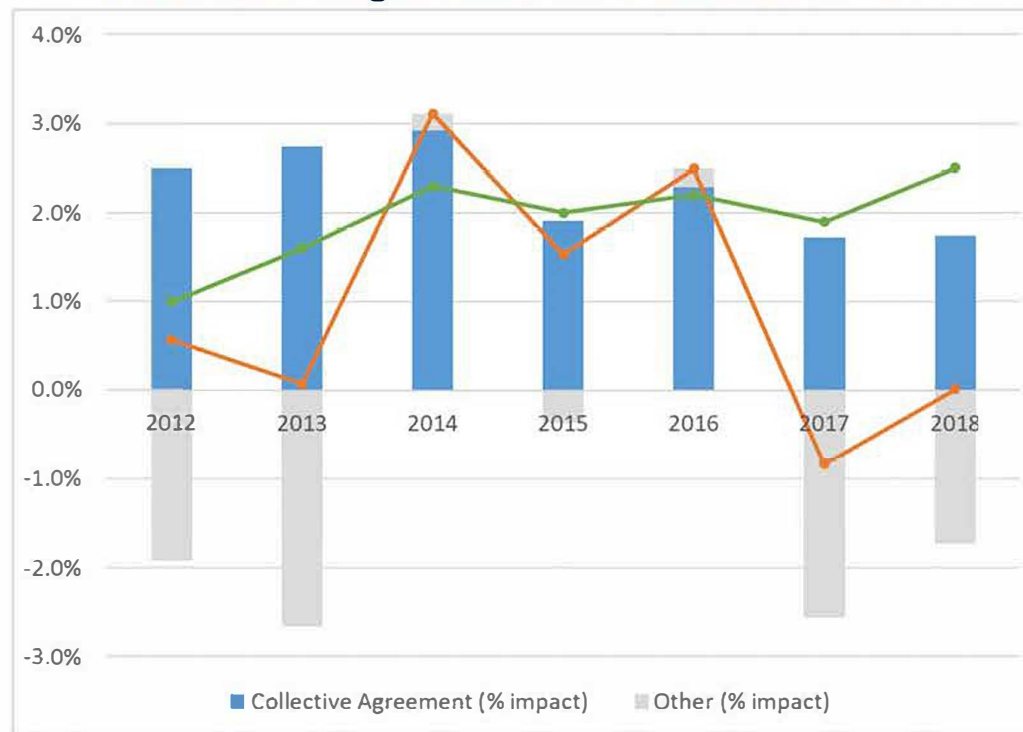
- Saved 300+ positions, returned buildings and various other management decisions which resulted in over \$100M savings since 2015
 - \$73M savings from hiring moratorium - \$5M in 2016, estimated \$28.3M in 2017 and anticipated \$39.4M in 2018
 - \$30M savings from various other operational /continuous improvement efficiencies. Some examples are reductions in:
 - Phone line expenditures due to switch to Voice Over Internet (VOIP)
 - Tuition fee reimbursements
 - Number of radio licenses
 - Medical/Dental expenditures due to tighter control over expenditures administered by Green Shield
 - Service delivery model for facilities maintenance/cleaning
 - Various IT computer maintenance contracts by detailed review of each contract and negotiation of lower cost
 - Various capital requirements that were funded from Vehicle and Equipment reserve which reduced the pressure on the contribution to this reserve from operating budget
 - Utility cost due to changing the lighting in Headquarters to LED lighting
 - Return of two facilities (used by the Community Partnerships and Engagement Unit and the Public Safety Unit) to the City. These facilities, which the City can monetize, develop or use at it sees fit, have a fair market value of approximately \$4.5M

OPERATING BUDGET HISTORY

People are our greatest asset.

As 87% of our operating budget is spent on people, the biggest cost driver is wage increase.

Historical Budget Increases Relative to CPI



	2012	2013	2014	2015	2016	2017	2018
Total Budget Increase (%)	0.6%	0.1%	3.1%	1.5%	2.5%	-0.8%	0.0%
CPI Increase (%)	1.0%	1.6%	2.3%	2.0%	2.2%	1.9%	2.5%

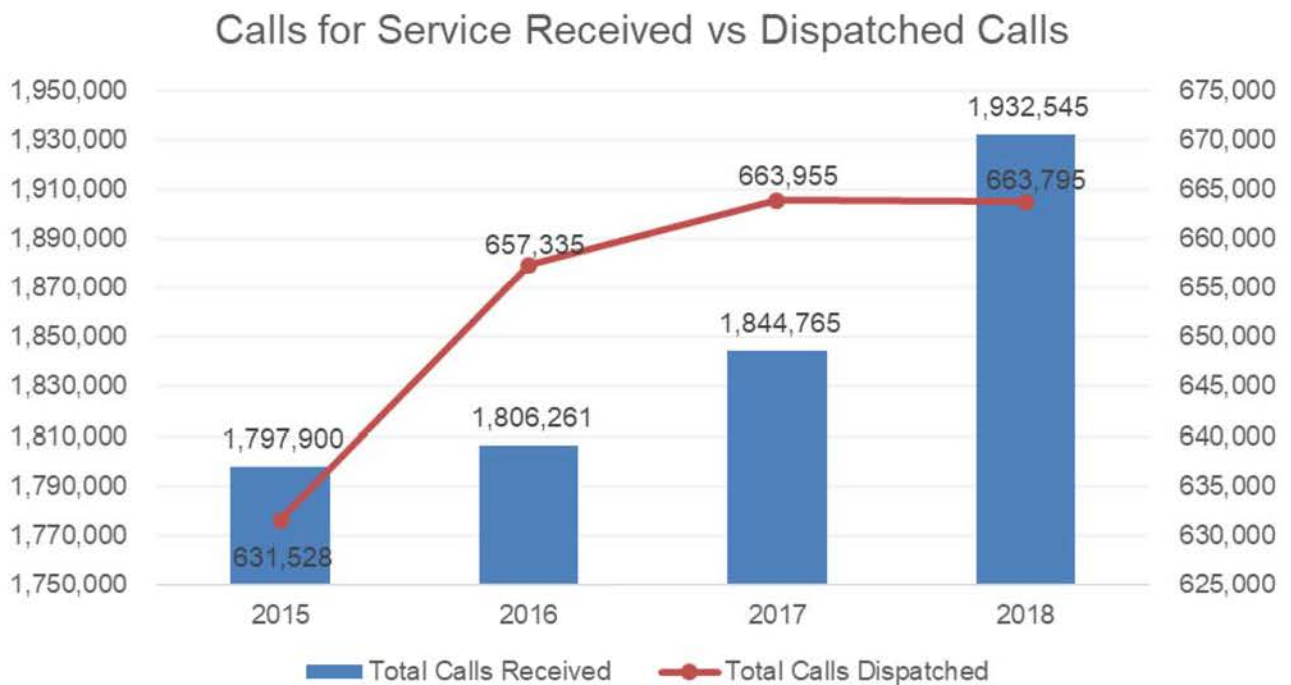
Budget History with and without Wage Raises (COLA: Cost of Living Adjustment)



OVERALL, THE SERVICE'S WORKLOAD PRESSURES HAVE INCREASED...



- Population increase of 2.6% - City of Toronto population is expected to exceed 3 million in 2019
- 43.7M visitors and growing – Toronto is the leading tourism destination in Canada
- Legalization of Cannabis
- 5% higher number of calls for service (December 2017 vs December 2018)
- 10% higher number of emergency calls for service over the same period



...AND THE SERVICE IS IN THE MIDDLE OF ITS MODERNIZATION AGENDA...

Enhancing Service Delivery

- Online parking complaints
- Transfer of Crossing Guards
- Disbanded Transit Patrol Unit
- Public Safety Data Portal
- Redirecting non-emergency calls for service
- Civilianization
- NG911
- New website

Focus on our People

- Competency model
- New leadership team
- HR Transformation and Business Partner Model
- Culture change
- Optimizing shift scheduling

Mobile and community-focused

- Upgraded parking handheld
- 700 mobile devices deployed – Connected Officer
- Enhanced Neighbourhood Officer Pilot
- Connected Officer Expansion
- Neighbourhood Officer program
- District Policing Model

Completed

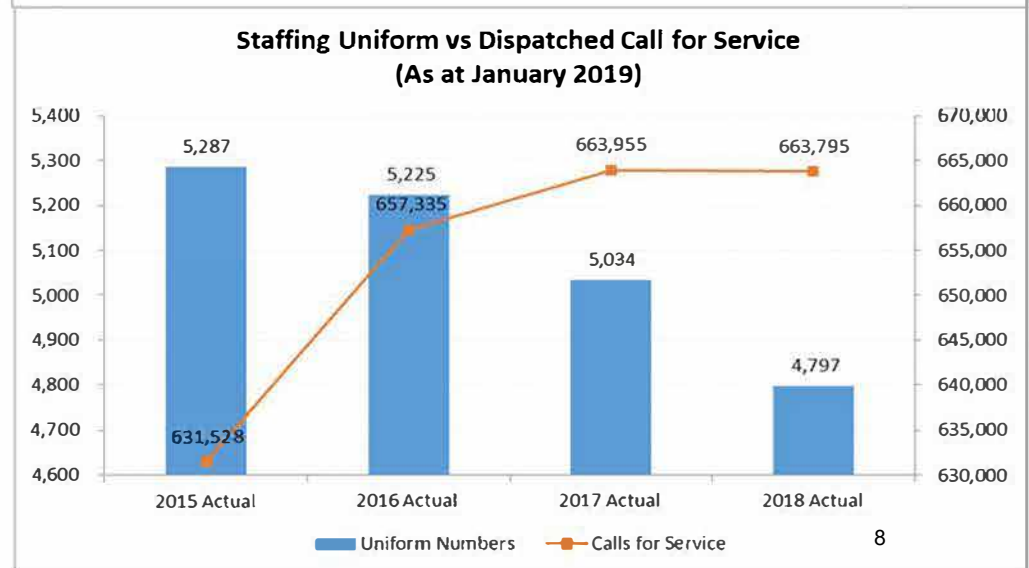
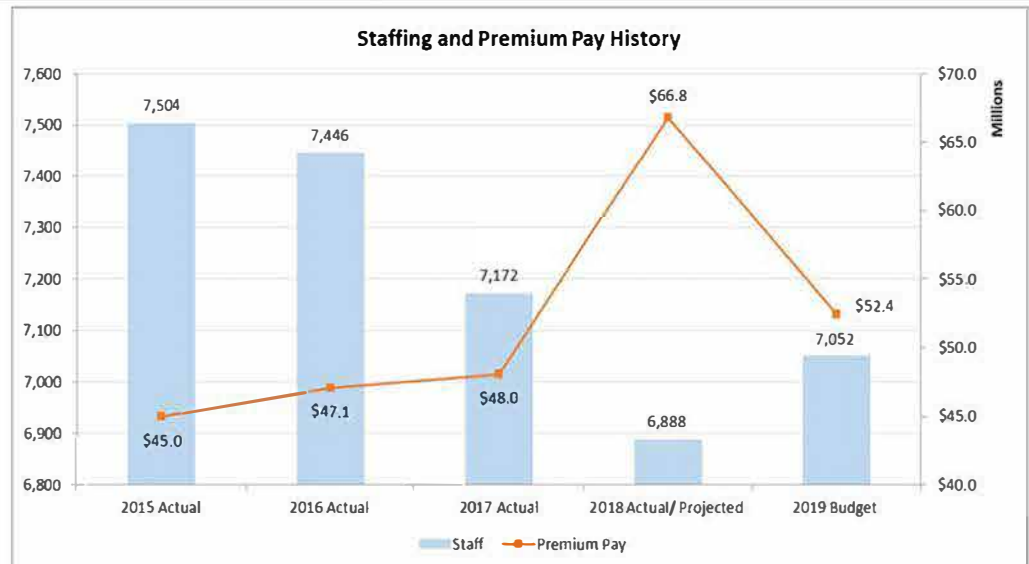
In Progress

...WHILE STAFFING HAS DECREASED

- 2015 – 2018 staffing level decline
 - 490 (9%) decrease in average deployed strength
 - 126 (6%) decrease in civilian strength
- Significant pressure on premium pay
 - 48% increase between 2015 and 2018
- Overall vacancy rate to approved establishment is 12%+
- Expecting an additional 350 to separate in 2019 (sworn + civilian)

Reduced staffing levels, increasing calls for service and an active modernization agenda are placing strain on operations and staff

The 2019 Budget aims to provide sufficient resources and capabilities to maintain public safety and continue transforming

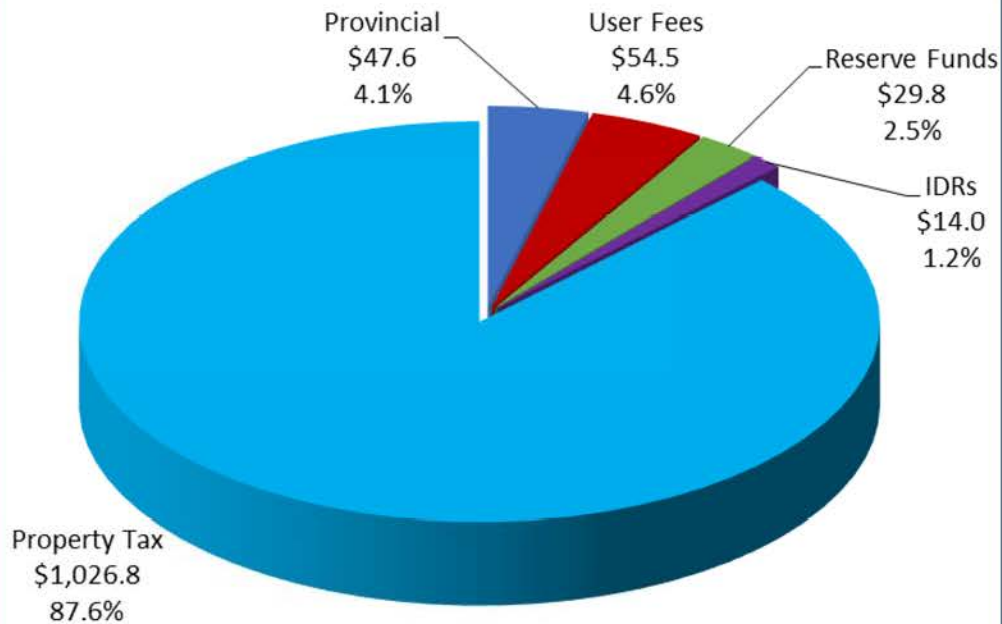


2019 OPERATING BUDGET SUMMARY



The budget is primarily funded by property taxes and the largest cost relates to our people.

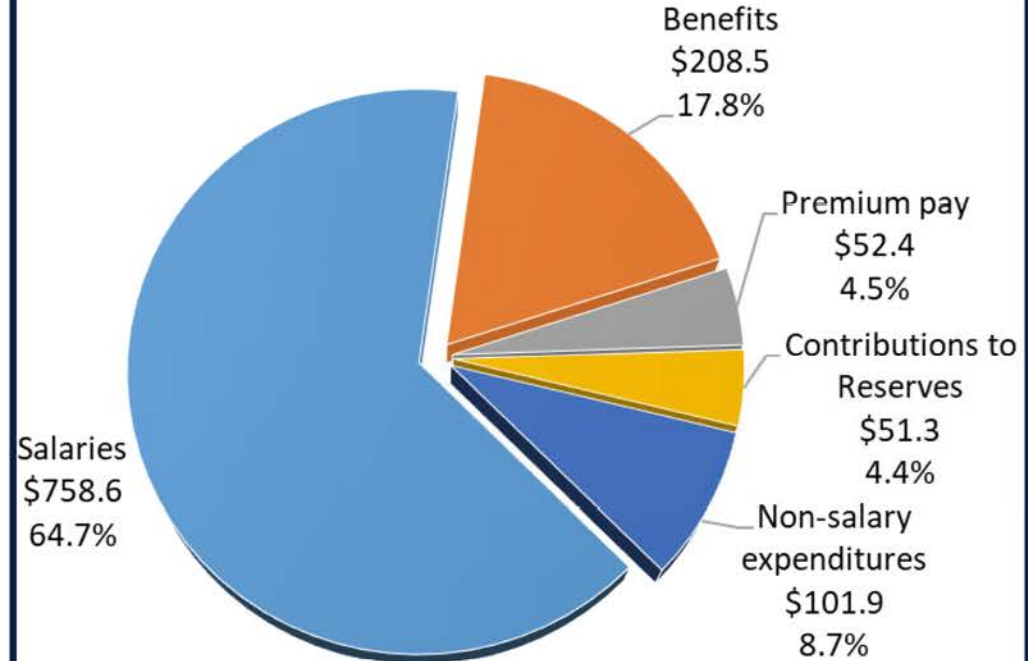
Where the Money Comes From



The TPS budget is primarily funded through the City's property tax.

Note: Interdepartmental Revenues (IDRs) refer to revenues from other City of Toronto's departments

Where the Money Goes To



- 87% of the TPS budget is related to salaries, benefits and premium pay
- TPS purchases \$100M in goods and services including an increasing amount towards its modernization objectives.

2019 OPERATING BUDGET SUMMARY



Summary of 2019 Budget Request Changes

(\$M)	2018 Budget	2019 Budget*	\$ Change over 2018	% Change over 2018 Total Budget
Salary Requirements	751.8	758.6	\$6.8	0.7%
Premium Pay	43.9	52.4	\$8.5	0.9%
Statutory Deductions & Benefits	208.3	208.5	\$0.2	0.0%
Contributions to Reserves	47.6	51.3	\$3.7	0.4%
Other Expenditures (\$6M offset by increased Revenues)	85.1	101.9	\$16.8	1.7%
Revenues	(140.4)	(146.0)	(\$5.6)	(0.6%)
Net Budget Request	996.5	1,026.8	\$30.3	3.0%

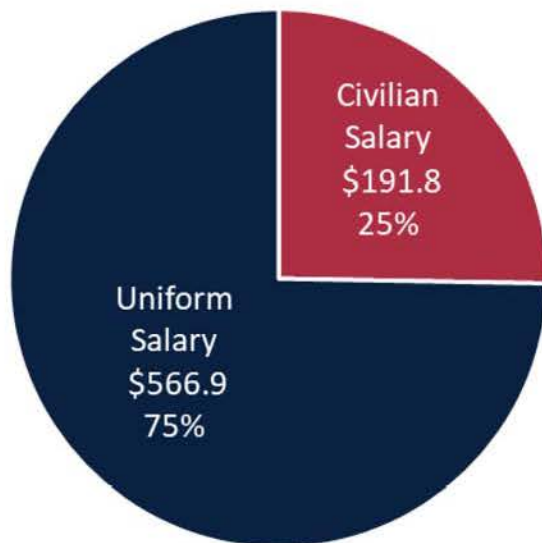
*Excludes collective agreement impact

OPERATING BUDGET DETAILS – SALARY



(\$M)	2018 Budget	2019 Budget	\$ Change over 2018	% Change over 2018 Total Budget
Salary Requirements	751.8	758.6	\$6.8	0.7%

Ratio of Uniform Salary to
Civilian Salary



- Premised on:
 - 2018 separations of 404 (294 uniform and 110 civilian)
 - Another 250 uniform and 100 civilian separations in 2019
 - Hiring 320 uniform
- Prior year impacts
 - 53 Communication positions
 - HR transformation positions
- Civilianization Initiatives
 - 136 Special Constables (14 already hired in 2018)
 - 28 Crime Analysts
 - 18 Bookers
 - 2 Courts positions
- Backfilling 104 critical vacancies – e.g. Court Officers, IT positions to enable modernization
 - Current vacancy rate is 12% and anticipated 2019 civilian separations are approximately 100
- New Program
 - 9 Corporate Communication positions
 - 186 part-time retirees

SERVICE DELIVERY MODEL CHANGES



Role/ Position Name	Planned 2019 Hiring	FTE Equivalent for 2019
Special Constables	136	68
Crime Analysts	28	12
Bookers	18	9
Senior Court personnel	2	1
Civilianization Total	184	90

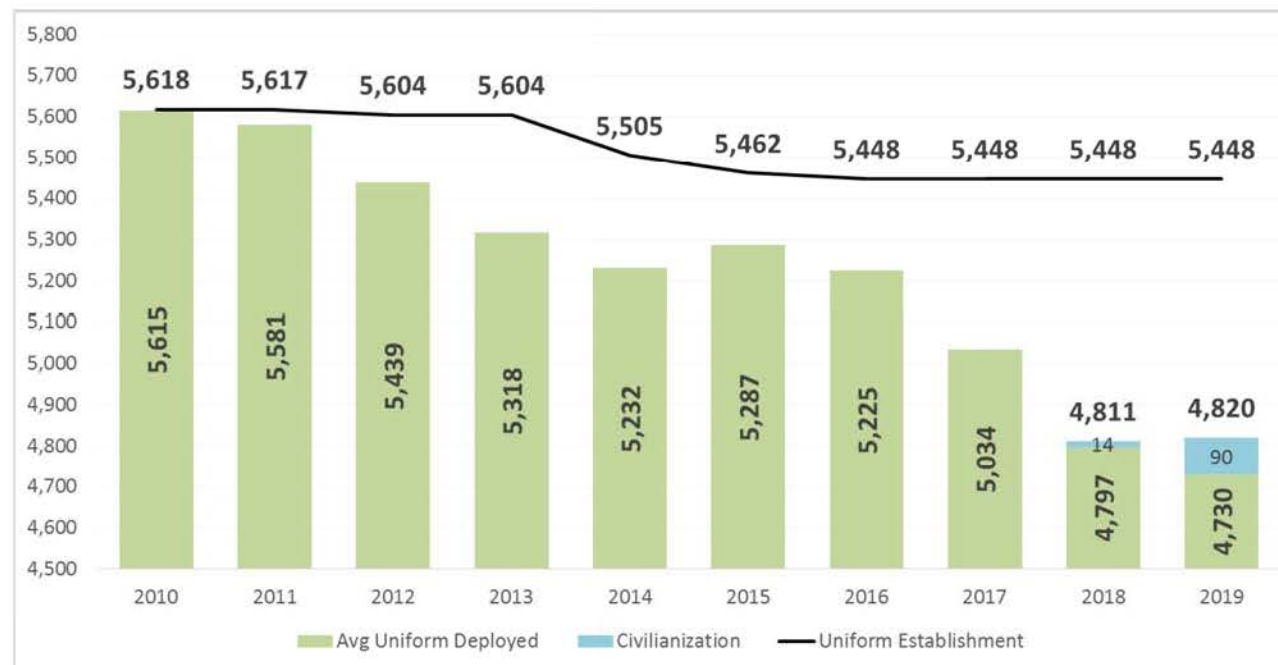
In 2019, the Service plans to hire 320 uniform and 184 positions towards its civilianization/modernization efforts.

Hiring is done in a staged approach throughout the year.

Due to the timing of hiring, this will translate to an average deployed of 4,730 uniform officers and 90 civilianized positions in 2019.

The civilianized positions fully annualize to 184 in 2020.

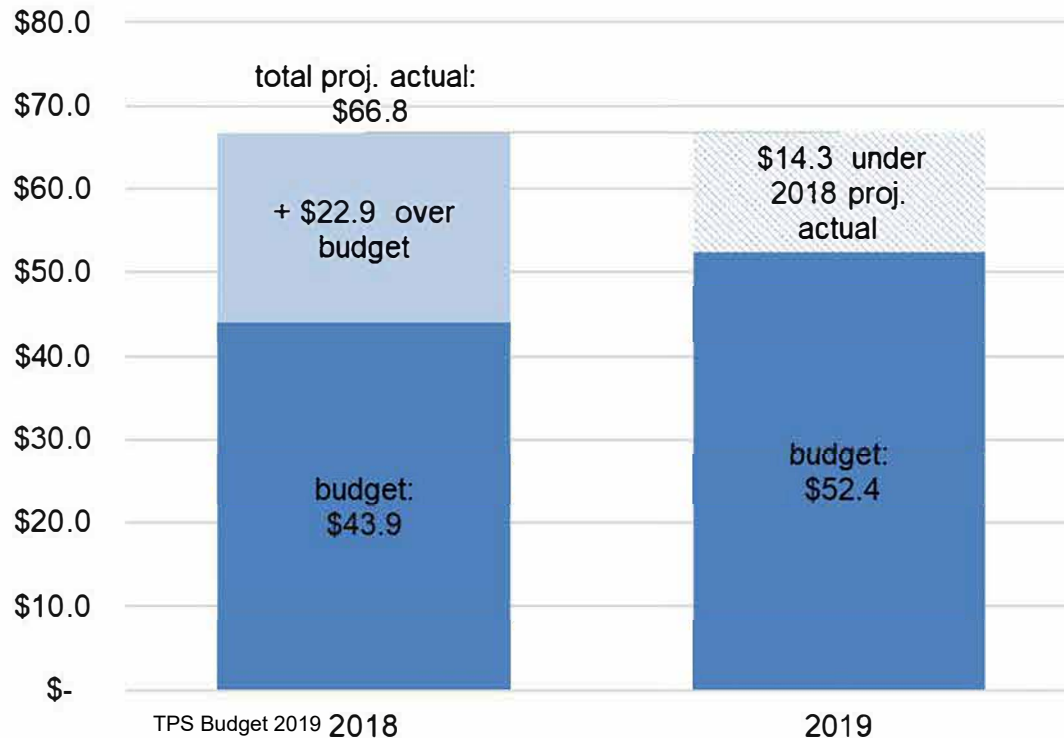
TPS Budget 2019



OPERATING BUDGET DETAILS - PREMIUM PAY

(\$M)	2018 Budget	2019 Budget	\$ Change over 2018	% Change over 2018 Total Budget
Premium Pay	43.9	52.4	\$8.5	0.9%

2018 vs 2019 Premium Pay (\$M)



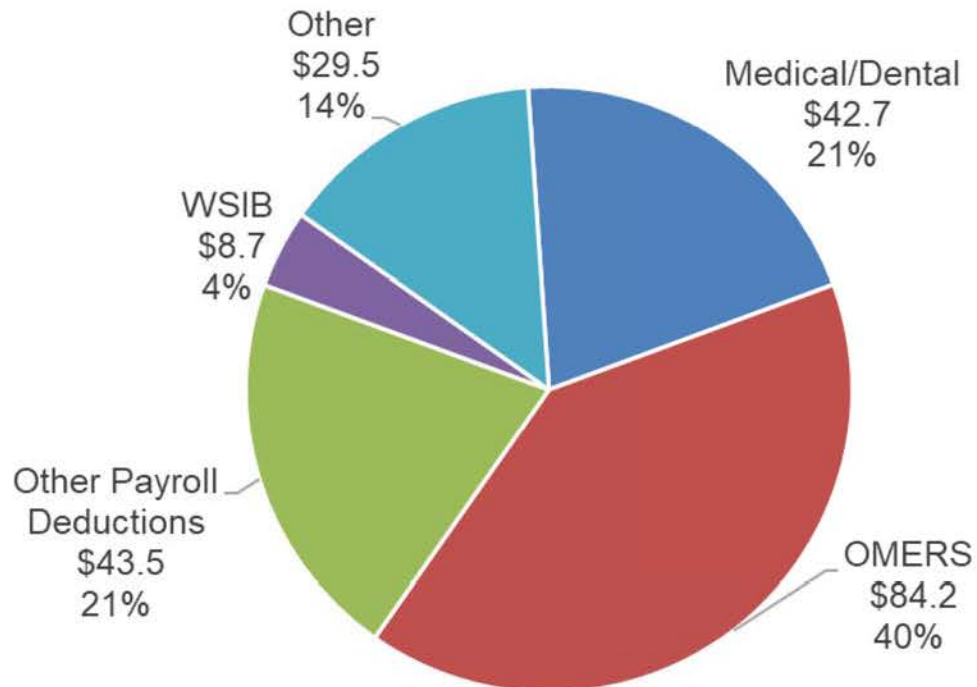
- 2018 premium pay budget expected to be exceeded by \$20M+; 2019 proposed budget is approximately \$14M less than 2018 projected year-end actuals
- Increase attributed to uniform premium pay requirements and is minimum amount, subject to police exigencies
- Excludes premium pay requirements for extraordinary events and new programs such as summer safety
- No increase to civilian premium pay levels

OPERATING BUDGET DETAILS – DEDUCTIONS and BENEFITS



(\$M)	2018 Budget	2019 Budget	\$ Change over 2018	% Change over 2018 Total Budget
Statutory Deductions & Benefits	208.3	208.5	\$0.2	0.0%

Breakdown of 2019 Budget Statutory Deductions and Benefits



This category is made up of the following accounts:

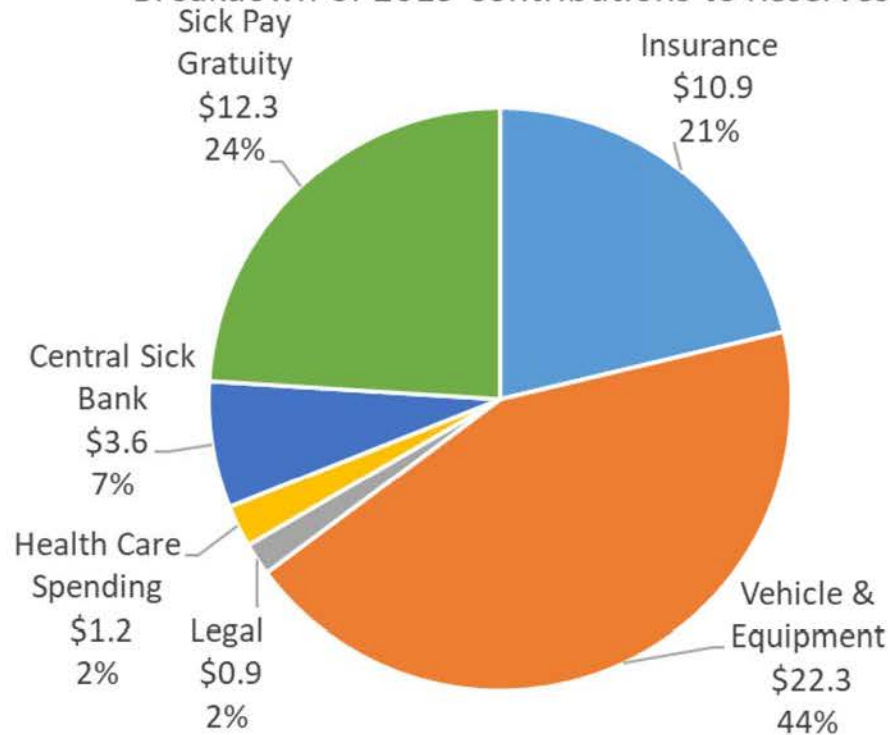
- Payroll deductions (\$0.9M reduction) - specific formula based on gross salaries
- Medical/Dental coverage (\$2.6M reduction) – actuals are increasing year over year; adjusted budget to be in line with actuals
- Sick Pay Gratuity expenditures (\$3.3M increase) – offset by reserves - correlation with aging workforce and high degree of separations

OPERATING BUDGET DETAILS – RESERVES



(\$M)	2018 Budget	2019 Budget	\$ Change over 2018	% Change over 2018 Total Budget
Contributions to Reserves	47.6	51.3	\$3.7	0.4%

Breakdown of 2019 Contributions to Reserves



TPS Budget 2019

- Sick Pay Gratuity Reserve \$1M increase - contribution increased to better meet increasing annual expenditures
- Vehicle and Equipment Reserve \$3M increase – represents lifecycle replacement for vehicles, IT and other equipment.
 - As the Service modernized and shifts to SUVs, this reserve is replacing higher cost items and is placed under ongoing pressure
- Legal reserve \$0.8M decrease – reduced contribution as reserve is sufficient to meet current anticipated needs
- Health Care Spending Account \$0.4M increase – post-retirement health case benefit that is increasing annually
- Modernization Reserve – no planned contribution in the 2019 budget. This is only funded through year-end surplus

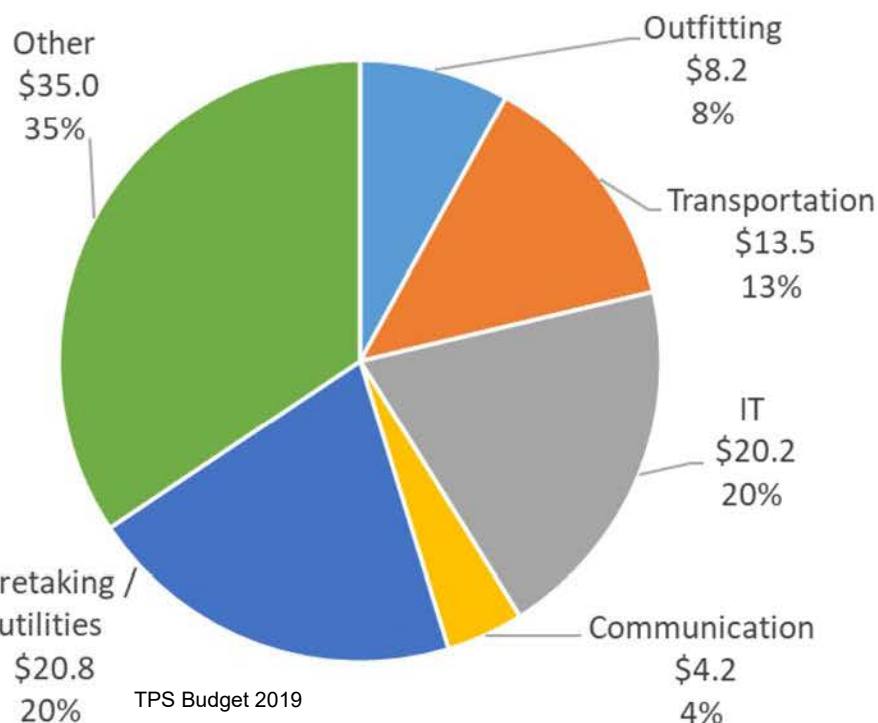
OPERATING BUDGET DETAILS – OTHER EXPENDITURES



(\$M)	2018 Budget	2019 Budget	\$ Change over 2018	% Change over 2018 Total Budget
Other Expenditures (\$6M offset by increased Revenues)	85.1	101.9	\$16.8	1.7%

Breakdown of 2019 Other Expenditures

This category is made up of the following accounts:



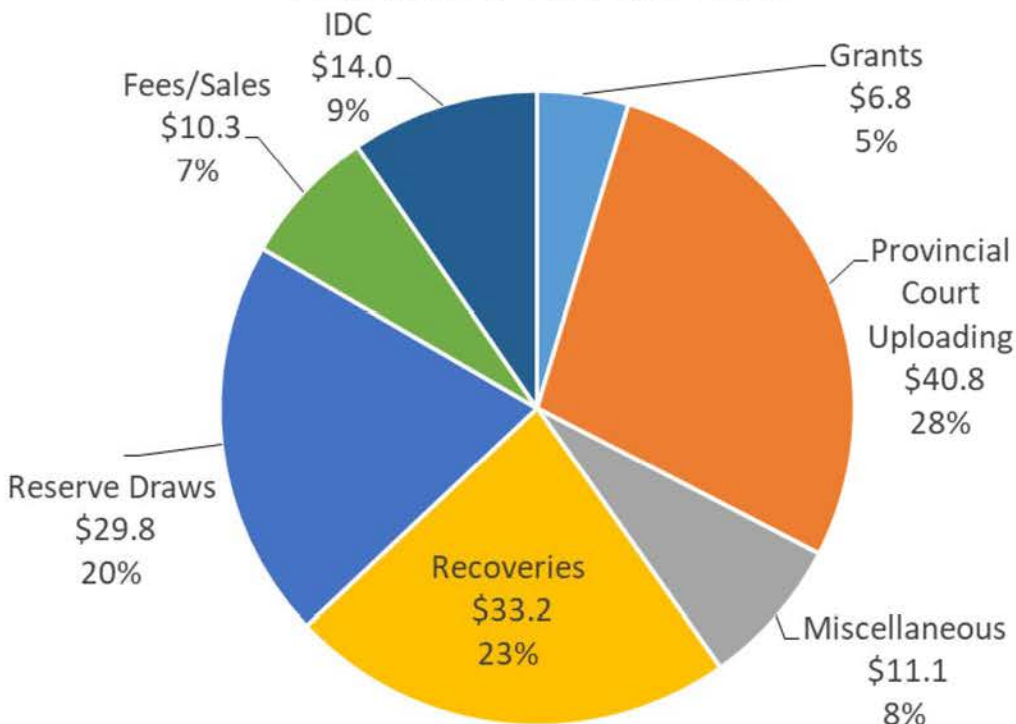
- Contracted Services – Increase of \$5.9M, of which \$4M is offset by withdrawing from the modernization reserve to continue with The Way Forward implementation – Project Management, technical/subject matter expertise, feasibility studies and strategy development
- Computer maintenance – Increase of \$1.5M – contractual cost increases for the maintenance and support of TPS systems
- Capital project operating budget impacts – Increase of \$1.2M – as capital projects complete, they require ongoing support through the operating budget. e.g. phone plans for Connected Officer
- Recruiting costs – increase of \$2.2M
- Other \$1.2 increase: caretaking, psychological assessments, gas and grant recovered expenses of \$1.8M

OPERATING BUDGET DETAILS – REVENUES



(\$M)	2018 Budget	2019 Budget	\$ Change over 2018	% Change over 2018 Total Budget
Revenues	(140.4)	(146.0)	(\$5.6)	(0.6%)

Breakdown of 2019 Revenues



TPS Budget 2019

12% of the budget is funded through revenue as follows:

- Interdepartmental Recoveries – decreased by \$3.6M to reflect transfer of Crossing Guard Program
- Provincial Grants – most significant grants include
 - Court Security Prisoner Transportation \$40.8M
 - Guns & Gang Grant - \$4.9M
 - P.E.M. – \$10M. Service is only budgeting for the portion of the grant that covers salaries
- User Fees, Rentals and Donations - \$1.6M reduction - primarily due to the Service no longer responding to alarms until they are verified as emergencies
- Reserves funding – \$7.3M increase in draws from Service reserves to support TTF related costs and increasing health care related costs

2020 and 2021 PRELIMINARY OUTLOOK



The outlook will be influenced by the following factors:

- Timing and number of hires and separations in 2019
- Grant revenue
- Impact of salary settlement
- Impact of cannabis legalization
- Operating impacts to initiatives that are currently unfunded (e.g. Connected Officer expansion)

	2020	2021
Starting Request	\$1,026.8	\$1,053.4
Salary requirements	\$11.3	\$7.9
Benefit cost increases	\$2.6	\$2.5
Reserve contributions	\$3.7	\$2.6
Non Salary – inflationary and contract increases	\$5.3	\$4.4
Revenues	\$3.7	\$0.0
Total change before salary settlement	\$26.6	\$17.4
Salary settlement	n/a	n/a
Net Change	\$26.6	\$17.4
Outlook	\$1,053.4	\$1,070.8
Percentage change over prior year	2.6%	1.7%

OPERATING BUDGET CONCLUSION



What This Buys

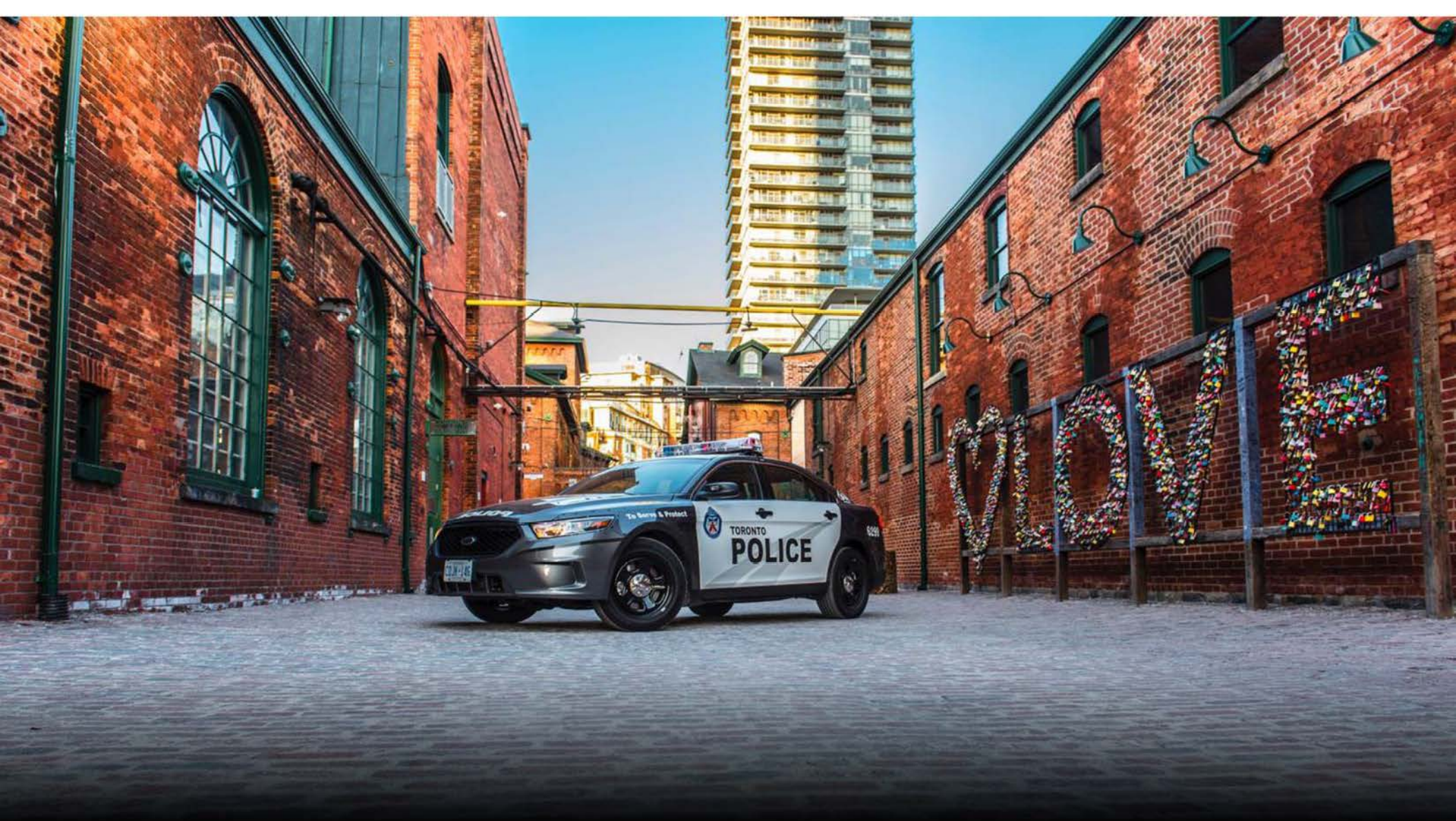
- Average deployed 4,730
- Additional support to priority response
- Hiring 800+ uniform and civilian positions
- Court Security for 272 provincial court rooms
- Enhanced Neighbourhood Officer Pilot
- Increase capabilities and resources to combat gangs and gun criminals
- Continuing with the modernization initiatives

TPS Budget 2019

Challenges

- Currently Not Funded
 - Neighbourhood Officer Program expansion
 - Impact of cannabis legislation
- Risks
 - Premium pay
 - Funding from other levels of government (e.g., \$40M Court Security, \$10M P.E.M.)
 - Separations and pace of hiring

19



Thank you.



Toronto Police Service

2019 Capital Budget Request

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TPS Budget 2019

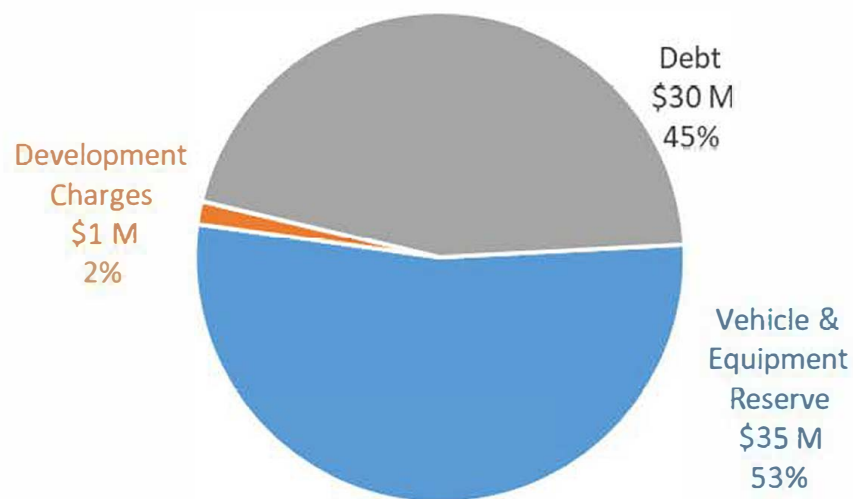
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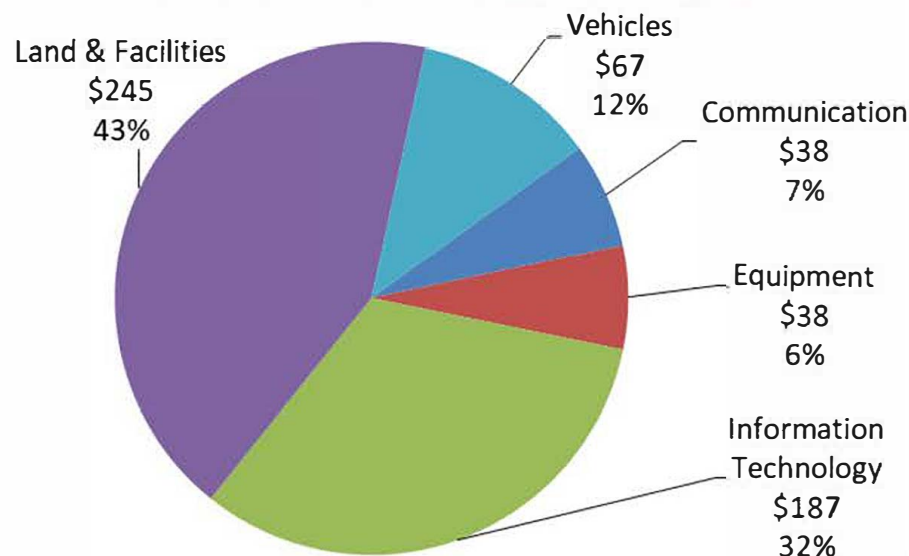
CAPITAL BUDGET AT A GLANCE

Toronto Police Service's capital budget is allocated to expenses such as vehicles, equipment, land, and facilities.

Where the money come from (\$M)
\$66M
Gross 2019 Capital Projects



Gross Budget Breakdown
\$575M
Gross 2019 - 2028 Capital Projects



Going from Gross to Net

Net Debt Funding:
Primary Capital Program
Measure

TPS Budget 2019

Category	2019	2019 – 2028
Gross Projects	\$66M	\$575M
Vehicle & Equipment Reserve	\$35M	\$283M
Development Charges	\$ 1M	\$ 74M
Net Debt Funding	\$30M	\$218M

CAPITAL PROGRAM SUMMARY



Capital Plan Objectives

- Enable technology and intelligence based policing
- Upgrade vehicle and equipment
- Enable officer mobility
- Realign and optimize Service's facility infrastructure

2019 Capital Budget Highlights

- The Service has met the City's debt target, on average, over the ten year program
- The Service continues to prioritize projects and use a stage-gating approach towards project delivery and inclusion in the capital plan

2018 completed projects or major milestones achieved

- Peer to peer disaster recovery site
- 54/55 division Site selection
- Upgrade of wireless parking tag system
- H.R.M.S. self-service and workforce analytics
- Body Worn Camera – R.F.I. stage
- Various lifecycle and state of good repair projects

Category (000's)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Total Gross Projects	65,796	82,159	67,566	53,617	53,157	69,437	48,725	45,903	55,206	33,575	575,144
Vehicle and Equipment Reserve Funding	(34,878)	28,759	(24,110)	(27,254)	(25,330)	(37,866)	(23,825)	(27,003)	(31,665)	(22,395)	(283,088)
Development Charges	(1,342)	16,214	(16,110)	(8,612)	(6,776)	(6,776)	(6,789)	(6,367)	(4,000)	(1,077)	(74,063)
Total Net Debt Funding	29,576	37,186	27,346	17,751	21,051	24,795	18,111	12,533	19,541	10,103	217,993
City Target	40,137	33,125	28,740	20,768	10,140	14,229	16,507	17,306	18,541	18,500	217,993
Variance to Target	(10,561)	4,061	(1,394)	(3,017)	10,911	10,566	1,604	(4,773)	1,000	(8,397)	0

2019 Operating impact from capital = \$1.2M

CAPITAL PROJECTS SUMMARY

Project Name (000's) - Debt Funded	Plan to end of 2018	2019 Plan	2020-2028	Total Cost	Comments
Projects in Progress:					
State of Good Repair	On-going	4,400	39,600	44,000	State of Good Repairs is an on-going cost, ten-year total shown here
Transforming Corporate Support	5,735	1,700	1,000	8,435	
32/33 Division	200	4,790	6,950	11,940	
54/55 Amalgamation	6,203	0	33,022	39,225	
41 Division	395	4,561	33,972	38,928	
Enterprise Business Intelligence	9,417	1,300	0	10,717	
Radio Replacement	19,720	4,114	14,315	38,149	Radio Replacement, ten-year lifecycle total is shown here
Total - Projects in progress	41,670	20,865	128,859	191,394	
Upcoming Projects:					
Automated Fingerprint Identification System (A.F.I.S.) Replacement	0	3,053	3,053	6,106	Includes lifecycle in 2024 as well
NG911	0	500	4,500	5,000	
Body Worn Camera - Phase II	500	1,000	2,000	3,500	Prior year includes Phase I costing
Connected Officer	2,632	800	0	800	\$2.6M in 2017/2018 was part of a Provincial grant (PEM)
Facility Realignment/ District Model	0	4,700	103,295	107,995	
Property & Evidence Warehouse Racking	0	0	1,040	1,040	
Total - Upcoming Projects	3,132	10,053	113,888	124,441	24

CAPITAL BUDGET CONCLUSION



What This Buys

- Conclusion of Body Worn Camera procurement process and initial set up
- Increased mobility capabilities (Connected Officer)
- Progress towards the district policing model and new and renovated facilities
- Improved resource optimization through H.R.M.S.

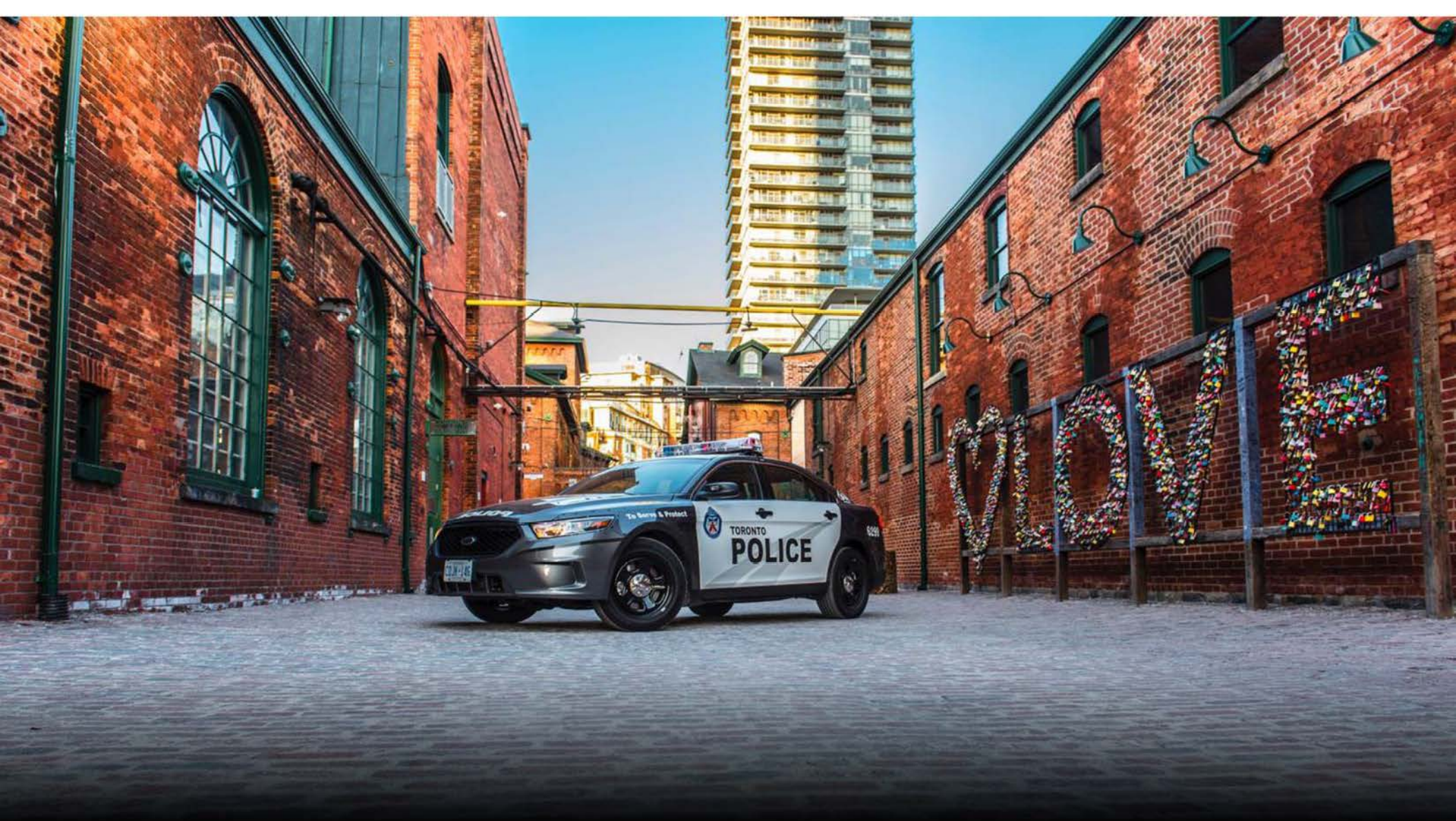
Challenges

Currently Not Funded

- Body Worn Camera implementation
- Connected officer expansion
- Global Search
- CCTV expansion
- NG911 beyond first phase

Risks

- Adequacy of future year debt targets to accommodate unfunded initiatives
- Project prioritization



Thank you.



Toronto Police Service

2019 Parking Enforcement

Budget Request

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PARKING PROGRAM SUMMARY



Parking at a Glance

\$46.7M

Net 2019
Parking
Enforcement
Operating
Budget



0%

Increase in
Parking
Enforcement
Operating Budget
since 2016



84%

Operating Budget
allocated towards
people



City Parking Tag Operation Program



TPS - Enforce
Parking By-laws
through issuance of
parking infraction
tags



Collect fines for all
parking violations
issued in the City
of Toronto



Managing/
administering the
dispute review
process at the
Screening Offices



Schedule and
support the
Administrative
Penalty Tribunal

2018 Successes

- Reduced court attendance for parking officers and reduced overtime for court attendance due to Administrative Penalty System (APS) program
- Developed Citizen Online Report Entry system for immediate parking complaint report
- Over 2 million Parking Tags issued
- Approximately 30,000 vehicles towed
- Over 150,000 calls for parking responded to

2019 Considerations

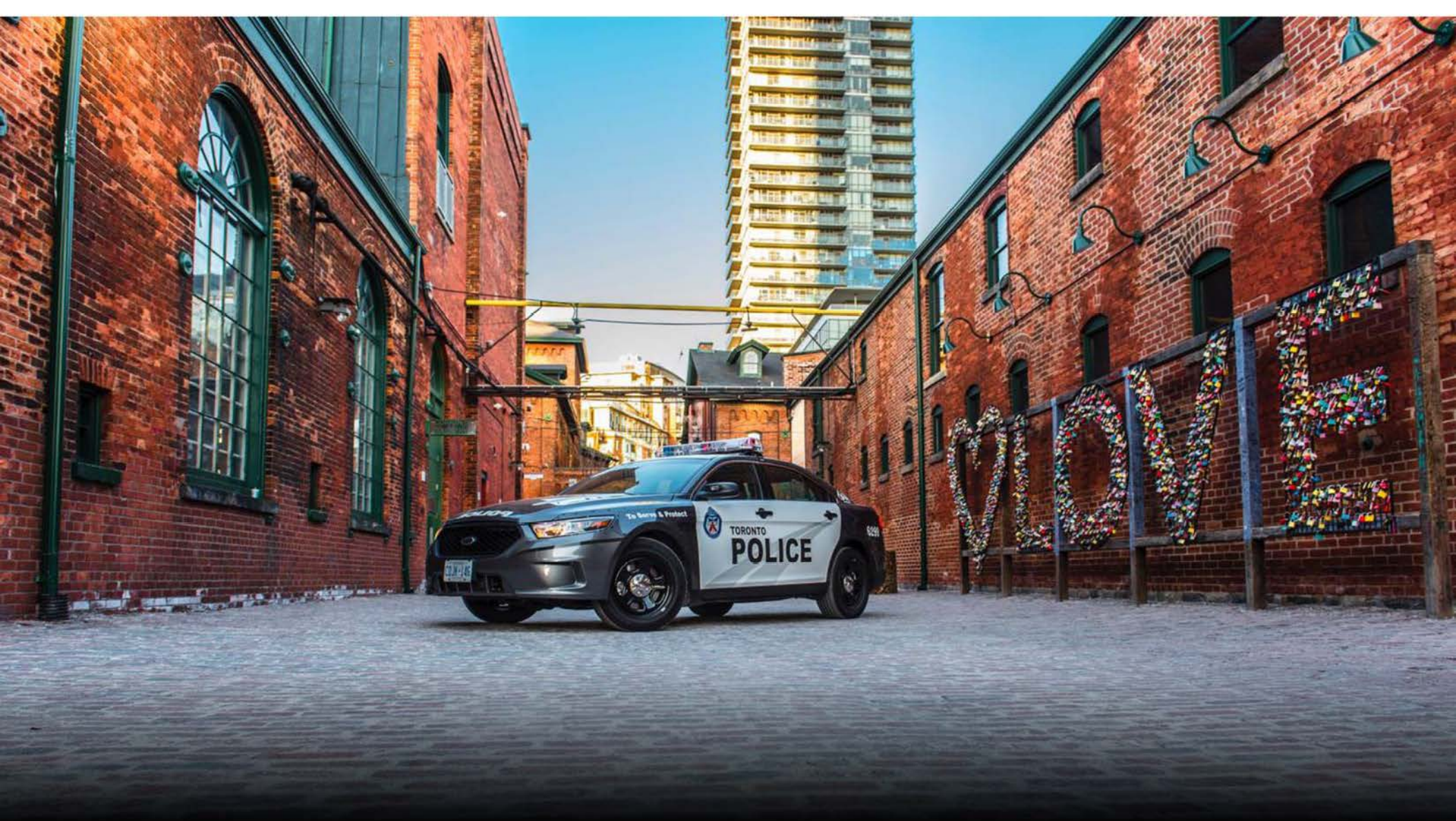
- P.E.U. staffing attrition and separations
- Pilot to move officers closer to where they enforce
- Budget pressures due to inflationary increases – for gasoline, rent, etc.

PARKING ENFORCEMENT UNIT BUDGET SUMMARY

Summary of 2019 Budget Request Changes

(\$M)	2018 Budget	2019 Budget*	\$ Change over 2018	% Change over 2018 Total Budget
Salary Requirements	30.9	30.8	(\$0.1)	(0.2%)
Premium Pay	2.5	2.4	(\$0.2)	(0.4%)
Statutory Deductions & Benefits	7.4	7.6	\$0.2	0.5%
Contributions to Reserves	2.8	2.8	\$0	0%
Other Expenditures	4.6	4.7	\$0.1	0.2%
Revenues	(1.5)	(1.5)	(\$0)	(0%)
Net Budget Request	46.7	46.7	\$0	0%

*Excludes collective agreement impact



Thank you.