



2011 Budget Tabling

**Ottawa Police Services Board
19 January 2011**



Agenda

1. Policing Context and Chief's Operational Priorities
2. 2011 Draft Operating Budget
3. 2012-2014 Draft Forecast Highlights
4. 2011 Draft Capital Budget and Forecast
5. Timetable



Policing Context

Indicator	National	Ottawa
Solvency rate	41% ↑	36.5% ↑
Crime Severity Index	93.7 ↓	80.1 ↓

Ottawa Call Activity	Total	Increase over 2009
Total Calls for Service	386,000	6%
Priority 1 calls *	77,100	1%
Officer Initiated calls	112,900	6%
Alternative response calls	107,200	12%

P1 Calls for Service	Response Time	Frequency
Benchmark	15 mins	90%
Actual	15 mins	87.8 %



Ottawa's Size and Geography

City of Ottawa is 2,796 square kilometres :

- Greater than Toronto, Montreal, Calgary, Edmonton and Vancouver combined
- 90 kilometres from East to West
- Ottawa's area is almost 80% rural

Our Nation's Capital is the site of :

- 185 planned events per year
- 200+ unplanned events





Population per Police Member

Service	2009 Stats Can Population	Actual Strength 2010			Population per Police member
		Police Officers	Other Personnel	Total Police Members	
Toronto	2,677,708	5,774	2,848	8,622	311
Montreal	1,906,811	4,486	1,384	5,870	325
Vancouver	640,963	1,427	377	1,804	355
Edmonton	818,339	1,628	571	2,199	372
Winnipeg	675,324	1,341	366	1,707	396
Calgary	1,125,001	1,882	665	2,547	442
Ottawa	882,477	1,351	542	1,893	466
Peel	1,249,341	1,855	814	2,669	468
Durham	613,655	915	338	1,253	490
Hamilton	530,420	802	265	1,067	497
Gatineau	256,240	348	157	505	507
York	1,016,010	1,425	522	1,947	522
Waterloo	518,203	730	263	993	522

Source: Police Resources in Canada 2010. Statistics Canada



Chief's Operational Priorities

1. Enhancing relevance to the community
2. Target high call-for-service areas and focus on problem solving in collaboration with partners
3. Reducing and preventing crime, increasing solvency rate
4. Expanding front-line support services
5. Continuing to target serious drug, gun and violent crime
6. Pursuing value-for-money opportunities, increased revenue stream





Agenda

1. Policing Context and Chief's Operational Priorities
- 2. 2011 Draft Operating Budget**
3. 2012-2014 Draft Forecast Highlights
4. 2011 Draft Capital Budget and Forecast
5. Timetable



2.5% Tax Rate Increase - 2011

BE IT FURTHER RESOLVED that City Council request the Ottawa Police Services Board and the Ottawa Public Library Board deliver budgets that would have no more than 2.5% increase on their tax requirement.

At 20 December 2010 PSB meeting, the Board passed the following motion:

That the Ottawa Police Services Board:

Direct the Chief of Police to work with City finance staff to review options to achieve the budget direction of a 2.5% increase for 2011 as directed by Council prior to the tabling of the Budget.



Board's Direction – 2.5% Tax Increase

	Base Case (\$M)	2.5% Option (\$M)	Required Reductions (\$M)
Incremental Budget Requirement	\$14.8	\$9.0	
Less: Assessment Growth	(\$3.7)	(\$4.0)	
Net Budget Increase	\$11.1	\$5.0	\$6.1
Police Tax Rate Increase	5.5%	2.5%	



Required Reductions - \$6.1 million

Description	Total (\$ M)
No new funds	\$2.9
Elimination of Business Plan initiatives	\$0.5
Reductions to existing budget envelope	\$0.8
Revenues and recoveries	\$0.5
Assessment base adjustments	\$0.3
	<hr/>
	\$5.0
Across the Service reductions	\$1.1
	<hr/>
Total reductions	\$6.1
	<hr/>

Refer to Annex A-10 in Draft Budget book



1. No New Funds - \$2.9 million

Requests for new funds have been turned down or alternative funding sources have been identified

Description		\$ 000s
1.	Salary adjustment	500
2.	WSIB	100
3.	YIPI	78
4.	Security Costs	40
5.	Professional Fees	35
6.	PAYG Contribution to Capital Reserve Fund	300
7.	Eliminate SGI Positions	500
8.	Eliminate Equipment and Training for SGI Positions	300
9.	Funding Provision for Ineligible Debt	1,000
Total		\$ 2,853



2. Elimination of Business Plan Initiatives - \$0.5 million

With the exception of some training requests, the remainder of these new initiatives have been eliminated

Description	\$ 000s
1. Media Monitoring Services	16
2. Make the Right Call and Other Promotions	30
3. External Searches	75
4. Career Development Coaching	20
5. Staff Training	105
6. Additional Space for Offsite Drug Facility	40
7. SRO Vehicle wireless license costs	21
8. Translation costs	10
9. Thermal Imager for Bearcat	50
10. Camera Leasing Program	100
Total	\$ 467



3. Reductions to Existing Budget Envelope - \$0.8 million

Budget estimates have been reduced based on 2010 financial information or other level of activity assumptions

Description	\$ 000s
1. Overtime and Court time	200
2. Retirement Provision	250
3. CIS Project Funds	250
4. Fleet Costs	100
5. Parking Provision	20
Total	\$ 820



4. Revenues and Recoveries - \$0.5 million

Adjustments have been made to reflect volume of activity estimates and to introduce new funding sources.

Description	\$ 000s
1. Paid Duties	300
2. Airport contract	30
3. One-time Funding from Reserves	200
Total	\$ 530



5. Assessment Base Adjustments - \$0.3 million

Figures have been reconciled to match the city's data

6. Across the Service Reductions - \$1.1 million

Targets have been assigned to Directorates, and specific items are being identified. These items will be tabled on 7 March 2011 with the Board.



2011 Draft Operating Budget

Category	Increase (\$ M)	
----------	-----------------	--

Maintain Services		
-------------------	--	--

Compensation	\$10.4	
--------------	--------	--

	\$10.4	
--	--------	--

Non-compensation	\$ (0.8)	\$9.6
------------------	----------	-------

	\$ (0.8)	
--	----------	--

		\$9.6
--	--	-------

Provincially Legislated		\$0.0
-------------------------	--	-------

		\$0.0
--	--	-------

Growth		\$0.0
--------	--	-------

		\$0.0
--	--	-------

New Services/ Needs		\$0.2
---------------------	--	-------

		\$0.2
--	--	-------

Efficiencies		(\$0.6)
--------------	--	---------

		(\$0.6)
--	--	---------

User Fees and Charges		(\$0.2)
-----------------------	--	---------

		(\$0.2)
--	--	---------

Incremental Requirement		\$9.0
--------------------------------	--	--------------

		\$9.0
--	--	--------------

Assessment Base Growth	\$4.0	
------------------------	-------	--

	\$4.0	
--	-------	--

2.5% tax rate increase	\$5.0	
------------------------	-------	--

	\$5.0	
--	-------	--

Total funding available		\$9.0
--------------------------------	--	--------------

		\$9.0
--	--	--------------

Police Tax Rate Increase		2.5%
--------------------------	--	------

		2.5%
--	--	------

Tax increase on average urban homeowner		\$12
---	--	------

		\$12
--	--	------



Compensation - \$10.4 million

Description	Amount (\$M)
Compensation and Increments	8.1
Full impact of previous year hiring	1.1
Retirement costs	(0.3)
OMERS contributions	1.5
	<hr/>
	\$ 10.4
	<hr/>

Compensation costs constitute 84% of the gross budget



Non-compensation items - \$(0.8) million

Description	Amount (\$M)
Materials, Supplies and Services	(0.7)
Recoveries	(0.3)
Revenue – Provincial funding/Alarms	0.4
One-time funding	(0.2)
Fleet capital contributions	(1.0)
General capital contributions	1.0
	<hr/>
	\$ (0.8)
	<hr/>



2011 Draft Operating Budget

Category		Increase (\$ M)
Maintain Services		
Compensation	\$10.4	
Non-compensation	<u>\$(0.8)</u>	\$9.6
Provincially Legislated		\$0.0
→ Growth		\$0.0
→ New Services/ Needs		\$0.2
→ Efficiencies		(\$0.6)
→ User Fees and Charges		<u>(\$0.2)</u>
Incremental Requirement		\$9.0
Assessment Base Growth	\$4.0	
2.5% tax rate increase	<u>\$5.0</u>	
Total funding available		\$9.0
Police Tax Rate Increase		2.5%
Tax increase on average urban homeowner		\$12



Agenda

1. Policing Context and Chief's Operational Priorities
2. 2011 Draft Operating Budget
- 3. 2012-2014 Draft Forecast Highlights**
4. 2011 Draft Capital Budget and Forecast
5. Timetable



Council Direction for 2012 to 2014

BE IT FURTHER RESOLVED that the Long Range Financial Plan be developed with a maximum tax increase of 2.5% for the years 2012 to 2014.



2012 to 2014 Budget Framework

1. Salary increases and increments (~ \$9M) will absorb all revenue from:
 - Assessment Base Growth (~\$4M), and
 - 2.5% tax increase (~\$5M)
2. Any other costs will need to be funded from
 - Across the Service budget reductions
 - Efficiencies
 - Vacancies
3. No increase in complement (sworn/civilian)
4. No new debt-financed capital work



2012-2014 Draft Operating Forecast

Incremental Requirement (\$M)	2012	2013	2014
Maintain Services	\$10.2	\$9.6	\$10.0
Growth	\$0.0	\$0.0	\$0.0
New Services / Needs	\$0.2	\$0.2	\$0.2
Efficiencies	(\$0.7)	\$0.0	\$0.0
User Fees & Charges	(\$0.2)	(\$0.2)	(\$0.2)
Incremental requirement	\$9.5	\$9.6	\$10.0
Less Assessment Growth at 2%	(\$4.1)	(\$4.1)	(\$4.3)
Net Taxation Increase Requirement	\$5.4	\$5.5	\$5.7
Police Tax Rate Increase	2.5%	2.5%	2.5%
Assumed Reductions Required	\$1.3	\$2.0	\$1.2



Debt Obligations on Previous Capital Projects - \$43.6 million

- South Division Phase I must be postponed to 2015-2018
- All other debt obligations will be met in 2011-2015

Project	Status	Funding	Debt
Closed Projects	Debt to be issued - 2011	Plan provides for \$900K in 2012; \$300K in 2013; \$1.0M in 2015	\$15.6M
In progress	Debt to be issued – 2013		\$11.4M
South Division Phase I	Debt to be issued – 2015 to 2018	\$1.5M required in 2017	\$16.6M
Total Obligation			\$43.6M



Funding Obligations on Other Projects - \$7.4 million

Funding for Ineligible Debt Projects can be resolved

Project	Status	Funding	Amount
Closed Projects	Need financing immediately	Apply 2010 surplus	\$2.0M
Radio project	Not yet initiated	Plan provides for \$250K in 2013; \$1,650K in 2014	\$5.4M
Total Obligation			\$7.4M



Agenda

1. Policing Context and Chief's Operational Priorities
2. 2011 Draft Operating Budget
3. 2012-2014 Draft Forecast Highlights
- 4. 2011 Draft Capital Budget and Forecast**
5. Timetable



2011 Capital Budget - \$14.9 million

Capital Project	Total Cost
Renewal of Assets	
Fleet Program	\$ 2.5
IT Mobile Workstations	\$ 2.1
IT Infrastructure	\$ 1.0
IT Storage	\$ 1.3
IT Telecommunication	\$ 0.4
IT Applications	\$ 0.4
Building Security Access Control Upgrades	\$ 0.3
Facility Minor Capital Projects	\$ 0.4
Facility Lifecycle	\$ 2.0
Cellblock - Security Replacement	\$ 0.4
Subtotal	\$ 10.8
Strategic Initiatives	
Strategic Growth Initiative	\$ 0.3
Business Transformation	\$ 2.3
OPS Specialized Equipment	\$ 0.2
Facility Strategic Plan	\$ 0.6
Facility Initiatives	\$ 0.7
Subtotal	\$ 4.1
Total	\$ 14.9

Funding Source			
PAYG	Revenues	DC	Debt
\$ 2.2	\$ 0.3		
\$ 2.1			
\$ 1.0			
\$ 1.3			
\$ 0.4			
\$ 0.4			
\$ 0.3			
\$ 0.4			
\$ 2.0			
\$ 0.4			
\$ 10.5	\$ 0.3	\$ -	\$ -
\$ 0.3			
\$ 2.3			
\$ 0.2			
\$ 0.6			
\$ 0.7			
\$ 4.1	\$ -	\$ -	\$ -
\$ 14.6	\$ 0.3	\$ -	\$ -



Capital Budget Forecast – 2012 to 2020

1. Pay-as-you-go program intact
2. Debt-funded capital projects no longer affordable

Category	Total cost	Funding			
		PAYG	Revenue	DC	Debt
Renewal of Assets	\$104.4	\$97.5	\$2.5		\$4.4
Growth	\$59.2				\$59.2
Strategic Initiatives	\$54.8	\$25.8			\$29.0
TOTAL	\$218.4	\$123.3	\$2.7	\$0.0	\$92.6
% Of Total		57%	1%	0%	42%



Capital Budget Forecast – 2012 to 2020

3. Review of capital projects to be completed by March 2011
 - Proposed revisions to capital budget will be tabled with the Board

Project (previously proposed)	Year	Total Cost (\$M)
Greenbank Cladding	2012	\$4.4
Elgin Refit	2014	\$14.0
South Division Complex Phase II	2012	\$30.0
PDC Expansion	2014	\$10.0
Central Patrol Facility	2015	\$30.0
Greenbank Refit	2015	\$2.0
Swansea Build-Out	2016	\$10.0
Leitrim Refit	2016	\$2.0



Agenda

1. Policing Context and Chief's Operational Priorities
2. 2011 Draft Operating Budget
3. 2012-2014 Draft Forecast Highlights
4. 2011 Draft Capital Budget and Forecast
- 5. Timetable**



2011 Budget Consideration and Approval Timetable

Event		Date
OPS Board	Tabling of Draft 2011 Budget	January 19
City Council	Tabling of Draft 2011 Budget	January 19
OPS Board	Regular Meeting – Public Delegations	January 24
OPS Board	Regular Meeting – Public Consultation	February 28 *
City Council	Public Consultation – 5 multi-ward meetings	Weeks of February 21 and 28
OPS Board	Approval of 2011 Budget	March 7
City Council	Budget Approval	Week of March 7

** As recommend by the Finance and Audit Committee, this replaces the February 7th Special Meeting. Budget approval is now scheduled for March 7th.*