



2024 Budget Update

Finance and Audit Committee

September 7, 2023

Priorities in 2024 Budget

- Purpose
 - To brief the Finance and Audit Committee (FAC) on the 2024 Budget development process and financial issues and seek direction on the tax rate for the 2024 Budget
- Considerations
 - Extensive consultation efforts in support of new Board's Strategic Plan
 - Draft Strategic Plan to be delivered by the Board in October
 - Staffing strategy presented to the Board at the August 25th Special Board Meeting
 - Focused on maintaining and improving service and driving change*
 - Calls for service up significantly, increased complexity of files
 - New and emerging public safety trends
 - Better information management/modernization needed

City Budget Recommendations



The guidance received by City Council and the Finance and Corporate Services Committee in September was as follows:

- A) The police service levy be increased by no more than 2.5 percent, and that Council requests that the Board develop its draft budget based on this tax increase.
- B) That the assessment growth taxation revenues generated from new properties be estimated at 1.5 percent of the current taxation for 2024 and that Council requests that the Police Services Board develop their budget within this allocation.

Financial Realities & Scenarios

| Budget Changes (\$M) | 2.5% City Recommendation | |
|----------------------------------|--------------------------|--------------------------|
| | 3.0% Forecast | 2.5% City Recommendation |
| Maintain services | \$ 11.7 | 11.7 |
| FTE Growth | 3.5 (25) | 3.5 (25) |
| New Services | 1.0 | 1.0 |
| Efficiencies | (1.0) | (2.7) |
| Changes in fees & revenues | (0.2) | (0.2) |
| Operating Budget Increase | \$ 15.0 | 13.3 |
| Assessment Growth (1.5%) | \$5.0 | \$5.0 |
| Police Tax Rate increase (\$) | \$10.0 | \$8.3 |
| Police Tax Rate increase (%) | 3.0% | 2.5% |

- Forecast and recommendation shown for comparative analysis purposes
- Both include:
 - Pressures from contract settlement, legislative benefits increases (\$9.7M)
 - Pressures from inflation (\$2.0M)
 - Pressures from staffing strategy
 - Provision for New Services (DEIMS, Cyber Security)
- Efficiencies figure utilized for balancing purposes to display what the magnitude of the savings would be required to attain the applicable tax rate increase.

Risks

- Aggressive efficiency target with no known solutions (\$2.7M versus historical annual average of \$2M).
- Pressures pushed to outer years, increasing likelihood of budget asks over 3% during those years.
 - Limited funding for new projects linked to the Board's strategy (ex: improvement of community engagement, improvement of front end customer service, increased 911 call centre headcount).
- Provides little to no funding to address emerging concerns including: the Byward Market, the local rise in natural disasters, the need for an updated youth strategy.
- Increase in Board support (FTEs) not included.

2024 Budget Recommendations



1. That the Ottawa Police Services Board receive and table the Ottawa Police Service 2024 Draft Operating and Capital Budget.
2. That the Police Services Board approve the Ottawa Police Service 2024 Draft Operating and Capital Budget at the Board meeting on November 27th, 2023.
3. That the Police Services Board approve the delegation of authority to the Chief of Police to execute and administer the 2024 Fleet Replacement Program, up to a maximum of \$6M.
4. That the Police Services Board approve the delegation of authority to the Chief of Police to execute and administer the 2024 Conducted Energy Weapon (CEW) Program, up to a maximum of \$1M.

Schedule

| Activity | Date |
|--------------------------------|--|
| Budget Directions Report | September 25 th |
| Senior Leadership Team Review | October 3 rd |
| Executive Command Final Review | October 10 th |
| Budget Tabling | November 8 th |
| Board Consultation | November 8 th to 27 th |
| Board Delegations & Approval | November 27 th |
| City Council Approval | December 6 th |