

FINANCIAL UPDATE – COVID19

Finance and Audit
Committee
April 21, 2020



OTTAWA POLICE SERVICE
SERVICE DE POLICE D'OTTAWA

A Trusted Partner in Community Safety
Un partenaire fiable de la sécurité communautaire



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FINANCIAL RESPONSIBILITIES



- OPS Command is committed to keeping the Board updated on any in year financial changes
- COVID 19 Pandemic response represents a major financial risk for the 2020 OPS Budget
- Several Briefings have been provided to Board on Pandemic response
- Our goal is to develop a more formal structure for financial reporting to ensure Board has financial info it requires

OVERVIEW



- Aligned with City of Ottawa Business Continuity Task Force Financial Forecasting Process
- High level assumptions at this time....forecast will evolve as more time passes and more data is available
- Forecasting accuracy is a challenge due to rapidly changing environment
- 2 scenarios – length of pandemic
 - End of June
 - Rest of year

PRINCIPLES



- Continue to provide police operations
- Protect health and safety of our members
- Maintain capacity to deliver policing operations
- Protect our community and sustainability of our health care system
- Maintain public confidence
- Financial sustainability

FINANCIAL CONTROLS IMPLEMENTED



- Implemented full Incident Command System for COVID 19 – this included specific “Financial Management position to track expenses, facilitate procurement/petty cash, etc.... – March 2
- Implemented “no travel order” which reduced costs – March 10
- Discretionary spending freeze implemented March 13
- Dedicated Cost Center to track all incremental costs due to COVID 19
- Employee transfer and temporary assignment freeze implemented March 17
- COVID 19 OT tracking and enhanced OT reporting and controls – March 18
- Deferral of WSIB admin fees – April 7

2020 BUDGET IMPACT DUE TO COVID 19



In \$M

Budget Item	June	FY 2020	Comments
Revenue Pressure	3.2	7.4	Paid Duties, Backgrounds, Airport
Expense Pressure	3.3	11.4	PPE, Unused AL, Pandemic OT
Total Pressure	6.5	16.8	
Expense Savings – non discretionary	(1.2)	(3.7)	Court OT, Canada Day OT, Regular OT, Fuel
Expense Savings – Discretionary	(3.9)	(9.2)	Spending freeze, travel, training, Paid Duty OT
Total Expense Savings	(5.1)	(12.9)	
Deficit	1.4	5.9	

ADDITIONAL OPTIONS



- **Annual Leave** – increased utilization of annual leave banks
- **Equipment and supplies** – review of operational equipment and supply practices
- **Capital Projects** – deferral of works in progress capital projects
- **Vacancy Management** – increase gapping savings by holding select vacancies longer
- **Permanent Re-deployment** – re-deployment of complement from investigative to frontline roles
- **Delay South Facility** – Significant unknowns. No savings potential in 2020....could defer future period debt servicing costs, however high risk of cost escalation

All options are being reviewed and weighed against core principles, risk to implement and current operating and financial conditions

ADDITIONAL OPTIONS CONT'D



- **Casual and Temporary Staff Layoffs** – temporary reduction in the use casual and temporary staff
- **Financial Relief** – Working with City and other levels of government on proposals. All incremental costs of pandemic are being tracked.
- **Collective Bargaining** – Bargaining considerations. Longer term implications
- **Healthy Turnout Rate** – Continue to invest in Wellness strategy and improve staff turnout rate
- **Accelerated Hiring Plan** – deferral of the plan

All options are being reviewed and weighed against core principles, risk to implement and current operating and financial conditions

FINANCIAL RISKS AND EMERGING ISSUES



- Tax revenue impacts not included in forecast
 - Cash flow shortfalls at City could be significant. If passed on to OPS, budget impact would be material
- Red light camera revenue
- Tax stabilization funding
- Federal and Provincial grants
- Family Status Accommodations
- Indemnity Costs

NEXT STEPS



- We continue to deliver effective policing service and adapt to this emergency event
- Will keep the Board informed through FAC
- Regular contact with OPA and SOA
- Regular communication with City partners