

OTTAWA POLICE SERVICES BOARD
FINANCE AND AUDIT COMMITTEE MEETING

MINUTES 4

10 June 2019, 10:00 a.m.

Billings Room, 110 Laurier Ave. West, Ottawa

PRESENT: L.A. Smallwood (Chair), D. Deans, C. Meehan

Others: Board Members A. Blaustein; Interim Chief S. Bell; Deputy Chief U. Jaswal; Acting Deputy Chief J. McKenna; Acting Director General J. Letourneau; Executive Officer J. Dunlop; Acting Director A. Cohn; Manager W. Salem; Councillor Assistant J. Bradley; Executive Director K. Ferraro

CONFIRMATION OF AGENDA

That the Finance and Audit Committee confirm the Agenda of the 10 June 2019 meeting.

CARRIED

CONFIRMATION OF MINUTES

Minutes 3 of 14 May 2019

That the Finance and Audit Committee confirm Minutes 3 from the 14 May 2019 meeting.

CARRIED

BUSINESS ARISING FROM MINUTES

There was no business arising from the Minutes

ITEMS OF BUSINESS

1. BACK OFFICE TRANSFORMATION

Presentation

Staff provided a presentation. It was noted that some integration already exists between the OPS and the City. About \$12 million of the OPS budget is for services the City undertakes on the OPS' behalf. Approximately \$2.5 million flows back to the OPS for 911 and CAD, which are services the OPS provides on behalf of the City. In 2016, the OPS saved \$600,000 through outsourcing payroll to the City.

It was clarified that while back office changes will be cost effective, they will still come at a cost.

The OPS will be engaging an independent consultant to conduct the back office review on advice from the City, as they did not have an available resource. The consultant will conduct an options analysis and produce a recommendation report and implementation plan at a high level.

The OPS has since received a proposal from a company on the standing offer list with the City and is in the final stages of signing a contract and narrowing the scope of work. This package of work was not budgeted for and will cost between \$50,000-\$70,000. The OPS will find efficiencies to pay for it. The engagement is expected to take around three months, with a final report expected to come to the Board in September. This will help ensure alignment with the 2020 budget. It was noted that there will be short, medium, and long-term efficiencies identified; not all changes need to be implemented in 2020.

A discussion ensued regarding the people impacts of any potential changes. There will be a people management plan to go along with the bundles of work. The OPS will work closely with the Associations. The goal is to use attrition as much as possible. The OPS will also need to look at the capacity of the City to take on functions; whether it is cost effective; and whether a function must be undertaken by the OPS due to technical/operations-related requirements or security reasons.

It was noted that the OPS does not have reciprocal agreement with the City to

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transfer employees but it has been done on a case-by-case basis in the past. This can be included as part of the plan. Many of the initial recommendations to come forward in September will be lower level, transactional components that belong to vacant positions.

The OPS will come back with a plan that identifies levels of risk and people impacts and can present to the Finance and Audit Committee before the September Board meeting. It was noted that this review was not meant to be a headcount exercise but more of a financial target.

A question was raised regarding how many sworn officers are in back office jobs and whether they can be reinvested into the frontline. The OPS indicated it had done this review and many sworn officers in these types of roles are there because the positions are related to their experience as police officers or because the province mandates it.

That the Finance and Audit Committee receive this update for information.

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2. 2020 BUDGET

Presentation

Staff provided a presentation. It was noted that the majority of the budget (82%) is related to compensation costs.

The 2020 budget includes an assumption of \$800,000 in benefits related to the Modernization Roadmap which is why the 2020 increase related to the Roadmap is only projected at \$500,000 (\$1.3M - \$0.8M = \$0.5M).

Based on present day information, OPS is not anticipating any changes to federal or provincial grants with the exception of the annual Federal Policing Grant of \$2M, which expires in March of 2020. The OPS is working on renewing this grant and requesting additional funding, as costs have been higher than the grant amount.

It was noted that while the red light camera revenue can likely be counted on for the budget, the \$2.4M from the tax stabilization fund might pose a risk given funding changes at other levels of government. The OPS will need written direction from the Board if this assumption should be removed. The OPS

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initially worked out a four-year plan with the City Treasurer with reserve funding including.

The Board can likely expect to receive budget direction from City Council in July, with tabling likely in November, though no dates have been set as of yet.

The following points of clarification were also made:

- \$6.2M of compensation is due to overtime; regular overtime represents \$0.5M and court overtime represents \$1.2M.
- The plan to hire 500 officers over five years includes annual growth by 30 officers plus replacements for resignations and retirements which are around 60-70 a year.
- The City issues debt but the OPS pays for it. For the new OPS South Facility, although we moved our plan up, the debt servicing costs will not be issued until 2022 so it will be factored into 2023. While moving phase 2 advances a portion of the project, it was also delayed prior.
- The Modernization Roadmap, Back Office Transformation, and Continuous Improvement initiatives are all expected to impact the 82% of fixed compensation costs. This cannot be achieved if headcount stays the same. The OPS will need to come back with a clearer picture of what potential changes would look like.
- If the OPS wants to achieve its growth plan, and if the assumption around City funding is removed, \$5.7 million is required.

It was noted that the OPS would be providing an honest budget that reflects what the Board and community expects in order to deliver the services the City needs.

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OTHER BUSINESS

None

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NEXT MEETING

9 September 2019, 10:00 a.m., Honeywell Room

ADJOURNMENT

The meeting was adjourned at 10:53 a.m.

DRAFT