

Report to / Rapport au:

**OTTAWA POLICE SERVICES BOARD
LA COMMISSION DE SERVICES POLICIERS D'OTTAWA**

6 November 2019 / 6 novembre 2019

Submitted by / Soumis par:

Chief of Police, Ottawa Police Service / Chef de police, Service de police d'Ottawa

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SUBJECT: 2020 DRAFT OPERATING AND CAPITAL BUDGETS

**OBJET: ÉBAUCHE DES BUDGETS DE FONCTIONNEMENT ET
D'INVESTISSEMENT POUR 2020**

REPORT RECOMMENDATIONS

- 1. That the Ottawa Police Services Board receive and table the Ottawa Police Service 2020 Draft Operating and Capital Budgets.**
- 2. That the Finance and Audit Committee discuss the 2020 budget proposal at its meeting of November 14, 2019.**
- 3. That the Ottawa Police Services Board consider and approve the 2020 Draft Operating and Capital Budgets at the Board meeting on November 25, 2019.**
- 4. That the Ottawa Police Services Board returns \$4.0 million to the General Capital Reserve Fund from Capital Order 908707 Queensview 2.**
- 5. That the Ottawa Police Services Board approve the delegation of authority to the Chief of Police to execute and administer the 2020 Fleet Replacement Program, up to a maximum of \$4.6 million.**

RECOMMANDATIONS DU RAPPORT

- 1. Que la Commission de services policiers d'Ottawa reçoive et dépose l'ébauche des budgets de fonctionnement et d'investissement du Service de police d'Ottawa pour 2020.**
- 2. Que le Comité des finances et de la vérification discute du budget proposé pour 2020 à sa réunion du 14 novembre 2019.**

3. **Que la Commission de services policiers d'Ottawa examine et approuve l'ébauche des budgets de fonctionnement et d'investissement lors de sa réunion du 25 novembre 2019.**
4. **Que la Commission de services policiers d'Ottawa retourne 4,0 million de dollars au Fonds de réserve en capital général du compte 908707 - Queensview 2.**
5. **Que la Commission de services policiers d'Ottawa approuve la délégation de pouvoir au chef de police pour la mise en oeuvre et l'administration du programme de remplacement de la flotte, à concurrence de 4,6 million\$.**

BACKGROUND

At the Finance and Audit Committee meeting on September 10, 2019 (at which all Board members were present), the Committee discussed the budget recommendation from Council of a 3.0% police tax rate increase, based on an estimated 1.5% growth in assessment base. As well, Staff continued to work with the City Treasurer on a funding strategy. At the Police Services Board meeting on October 28, 2019, the Board provided formal direction to staff to prepare the 2020 Draft Operating and Capital Budgets based on the 3.0% police tax rate increase recommendation from Council.

This budget is in line with the Board's direction. The budget provides the necessary operating and capital requirements as identified by Executive Command which results in a 3.0% police tax rate increase.

The Ottawa Police Service (OPS) Draft 2020 Budget is designed to deliver on the policing and public safety needs of the City, increase member engagement and build on the public's trust and confidence in our service.

It includes provisions to identify future efficiencies and makes investments to improve our operational capacity by leveraging technology, internal talent and community partnerships.

It is important that we invest in policing and public safety in a way that ensures social and financial returns on investments.

The Budget makes key investments in frontline policing and member wellness, and ensures we are spending limited resources wisely by aligning with OPS strategic priorities, identifying process improvements and internal efficiencies.

The Budget includes \$4.2 million in investment in Wellness programming including peer support, specialized health programming, unlimited access to professional psychological services and resiliency training. While that spending will continue, we have also begun to review those services to ensure that we are meeting the needs of members, keeping pace with best practices and identifying new opportunities to get our

members the supports they deserve. This will enable our members to deliver more effective and productive service to the community.

This budget includes investments that will make permanent our Outreach Recruiting team, which is carrying out a hiring strategy to attract new talent to our ranks in a manner that is reflective of our community.

In terms of technology, our Frontline Mobility project is deploying mobile devices to all Frontline officers, giving them quicker access to important information on calls for service, delivering better service with more accurate information and saving time.

The Draft Budget makes key investments in community policing with a heavy focus on neighbourhood-based policing. This Draft Budget includes 30 new and permanent officers invested in Neighbourhood Resource Teams, Outreach Recruiting and Community Development.

The investment includes 2 additional Neighbourhood Resource Teams to be deployed in neighbourhoods with elevated calls for service, street crime and property crime. This investment will allow our Service to build better community partnerships that focus on addressing the root causes of crime and social disorder in those neighbourhoods, putting in place long and short term solutions to resolve the underlying social justice issues facing residents and communities.

We are also leveraging provincial funding to add an additional 2 new sworn officers to our Guns and Gangs Section, enhancing our gun violence suppression efforts and enabling our investigative units to pursue, arrest and prosecute the most dangerous offenders.

It includes an investment in our Community Development Section, with 2 new staff leading community outreach, with ethno-cultural and community-partner networks at a city-wide level. This will support the day-to-day operations of our members, by ensuring we have stronger external partnerships to deal with issues of community safety, diversity and well-being.

The Budget also identifies efficiencies and savings through internal administrative service improvements and realignments, as well as the Back Office Integration Initiative, which is working to share City of Ottawa administrative services, as well as leveraging shared technologies.

We recently completed structural and organizational changes to the People and Culture Directorate, Training and Development Directorate and Corporate Services Directorate. The changes are being made to streamline and reduce duplications in our human

resource functions. This will improve accountability, properly align the senior ranks of the organization and place all HR processes under a single leader.

These investments will allow the OPS to deliver adequate and effective policing, while growing our capacity to meet the needs of this dynamic city.

DISCUSSION

The Ottawa Police Service (OPS) provides policing services to the residents, businesses and visitors to the City of Ottawa as outlined, in the Ontario *Police Services Act*. The demands for these services are driven by the needs and expectations of our community.

To ensure funding is in place to meet community service demands, Section 39 of the Police Services Act requires the Board to approve annual budget requirement allocations, to generate the funding to maintain the Police Service, and provide it with equipment and facilities. In conjunction with the OPS Business Plan and other strategic planning documents, the budget enables the Board to set its service priorities and provide direction to the Chief, the Executive Command and management. It supports service levels, provides the authority to proceed with key operational projects, and confirms the necessary funding to carry out the 2019 operational plans.

In 2006, City Council implemented a policy to fund the operations of the OPS through a separate municipal police tax rate that is distinct from citywide operations. This funding model provides transparency to the public about the cost of police services, and provides the OPS with the direct benefit of a proportional share of City assessment growth revenue.

Policing Context

Policing across Canada continues to evolve into a highly sophisticated, resource intensive and extremely complex profession in a dynamic environment. Various trends and changes have contributed to this environment including growing communities, aging populations, changing demographics, and increases in demands for service. Police services are also being faced with changes in crime types and legislative and regulatory requirements that police services must comply with, when investigating these crimes, in addition to an increase in interactions with individuals with mental health issues, increasing gun violence, legalization of cannabis, the opioid crisis and the ever-present threat of extremism.

Ottawa also faces unique challenges beyond those being experienced by police services across the country – specifically its geography and its role as the nation’s capital.

The City of Ottawa covers 2,796 square kilometres and spans 83 kilometres from east to west. This area is greater than Toronto, Montreal, Calgary, Edmonton and Vancouver combined. Furthermore, the area is more than 80 percent rural, with more farmland than any other city in Canada. This geographic diversity creates the need for service delivery models that are tailored to urban, suburban and rural needs, which are also supported by specialized equipment often resulting in increased vehicle costs.

As the nation’s capital, the Ottawa Police Service is responsible for public safety and security at sites of national significance as well as many events, including parades, marches, strikes, demonstrations and special events.

In 2018, the volume of Criminal Code offences reported to the OPS increased by 13 percent. There was also a noticeable increase in the volume and severity of violent crime in Ottawa, mirroring the national trend. In addition, the organization continues to face an increasingly complex investigative and legislative environment. It can be very challenging to balance a continuously dynamic environment, characterized by all of these needs, within a defined budget envelope. Stable financing facilitates the effective management of police operations and service needs associated with a growing and diverse population, and more importantly, helps to ensure community safety.

Canadian and Provincial Police Staffing Comparisons

The OPS continually conducts reviews to ensure there is an effective utilization of sworn and civilian members. These efforts aside, the OPS has seen its population per police member ranking drop significantly. A standard measure used by Statistics Canada, Police Services and other stakeholders, the “population per police member” assists in identifying trends in police member staffing levels across the country.

While the determination of appropriate staffing levels for a police service cannot be based solely on population, this measure does allow for a relative comparison with police services operating in similar environments. When compared to the twelve largest urban centres in Canada, the most recent data published by Statistics Canada shows that Ottawa Police staffing levels are among the lowest. Table 1 presents data for these services and shows that there are 549 residents for every Ottawa Police Service member (sworn & civilian.)

Table 1
Population per Police Member

		Actual Strength 2018				
Service	2017	Police Officers	Other Personnel	Total Police Members	Population per Police Member	2018 Violent crime CSI
	Stats Can Population					
Montréal	2,029,374	4,532	1411	5943	341	91.19
Edmonton	1,004,947	1,882	812	2694	373	127.16
Winnipeg	753,674	1,383	546	1929	390	172.72
Vancouver	687,308	1,341	406	1747	393	96.38
Toronto	2,956,024	4,923	2517	7440	397	107.46
Calgary	1,311,833	2,006	911	2917	449	82.61
Peel	1,404,628	2,004	933	2937	478	69.5
Waterloo	579,145	762	394	1156	501	79.31
York	1,150,672	1,505	706	2211	520	43.17
Durham	683,604	878	395	1273	537	53.94
Ottawa	1,007,501	1,230	605	1835	549	69.3
Halton	580,014	682	305	987	588	26.15

Source: CANSIM Table 254-0004 Police personnel and selected crime statistics, municipal police services Statistics Canada

Population growth in Ottawa combined with the relatively static size of the police service has caused the number of residents supported by a police member to grow. Between 2011 and 2018 this number has grown from 479 to 549. Table 2 sets out the data underlying this trend. To have maintained the ratio of population per police member observed in 2011, the OPS would need to have grown by 268 positions over the 2012 to 2018 timeframe, or approximately 40 members per year.

Table 2
Trend in Population per Member: 2011-2018

Year	Stats Can Population (1)	Police Officers	Other Personnel	Total Police Members	Population per Police Member	Violent crime CSI
2011	899,016	1273	605	1878	479	62.8
2012	912,248	1312	563	1875	487	59.3
2013	924,224	1311	549	1860	497	57.2
2014	935,807	1301	551	1852	505	50.7
2015	947,031	1272	590	1862	509	55.0
2016	956,710	1239	598	1837	521	64.4
2017	973,481	1242	599	1841	529	65.6
2018	1,007,501	1230	605	1835	549	69.3

(1) Respondent populations for the current year are not yet available when the Statistics Canada Police Administration Survey data are released. Therefore, populations in Table 2 represent data for the prior year.

Source: CANSIM table 254-0004 Police personnel and selected crime statistics, municipal police services Statistic Canada

In addition to statistical measures, staffing requirements must also take into account the operational readiness of the police service to deal with crime and disorder issues facing Ottawa and other large Canadian cities. This includes ensuring the OPS has the necessary resources to deal with emerging and increasingly complex crime issues such

as guns and gangs, cyber and internet-based crime, multi-jurisdictional investigations, and terrorism, as well as the necessary patrol resources in place to serve, and ensure the safety of the community when large scale emergency events occur such as the 2019 bus crash and the spring time flooding along the Ottawa river.

Other factors influencing the magnitude of police resources needed to meet demand for service are: legislative and regulatory changes (Bill C-75), including the legalization of cannabis and updates surrounding impaired driving laws; the costs and skills needed to support new investigative technologies and equipment; and the profile of the police member required to perform these functions.

Strategic and Operational Priorities for 2020

The strategic and operational priorities for 2020 are key inputs to the budget development process. The OPS is committed to safeguarding the safety and security of the community it serves through the continuation of successful enforcement activities, enhanced community and neighbourhood policing, proactive crime prevention, education, and partnerships. This is largely done by ensuring the efficient deployment of frontline policing resources.

At the July 2019 board meeting, the Board approved the 2019-2020 Strategic Direction for OPS. The Strategic Direction document was developed in consultation with members of the public and members of the police service. This strategic plan focuses on four key areas:

- Advancing community policing;
- Making meaningful progress on Equity, Diversity & Inclusion;
- Supporting members;
- Modernizing the work environment.

The Chief's approach to accomplishing OPS's Strategic Direction will be to focus on the following three areas:

- **People & Partnerships:** We will do everything to enable and advance the reality that 100% of the OPS policing mission gets done by our members and the problem-solving partnerships they form with the community.
- **Prevention & Precision:** We will be a more proactive and intelligence driven organization that seeks to first prevent public safety problems from occurring and, when needed, is capable of more precise effective investigative and prosecutory interventions.

- Performance & Progress: We will raise our individual and collective levels of performance and will demonstrate real progress in accomplishing our strategic goals.

The organization will be focused on increasing public trust and confidence as well as member engagement through the following key priorities to ensure service delivery in 2020:

- Staffing increases to support Neighbourhood and Community Policing, Community Development, Outreach Recruiting, and Gun Violence Suppression
- Equity, Diversity and Inclusion
- Wellness Program
- Modernization Roadmap
- Facilities Strategic Plan

Investments in Neighbourhood and Community Policing

OPS staff has undertaken a number of actions to maximize sworn staffing efficiency. Over the 2016 to 2019 period, a total of 105 sworn positions were added to OPS, as well as an additional 12 positions funded by other levels of government for gun violence suppression.

In 2020, 30 new officer positions as well as 2 new provincially funded positions will be invested in Neighbourhood Resource Teams, Outreach Recruitment, Community Development, and Gun Violence Suppression.

This is the beginning of a four year hiring plan forecasted to result in 30 new hires per year. This plan represents an annual increase of approximately 2% of sworn staffing levels.

Neighbourhood Resource Team (NRT)

In the summer of 2019, OPS introduced the Neighbourhood Resource Team (NRT) pilot project. It was developed to respond to increased incidents of crime in three neighbourhoods: Vanier/Overbrook; Carlington/Caldwell; and Heron Gate/South Ottawa. These neighbourhoods were selected because of elevated rates of calls for service, property crimes, and violent incidents involving shootings, stabbings and homicides. Each NRT consists of neighbourhood-specific trained Constables (5) and one Sergeant, and will coordinate with existing Community Police Officers (CPOs), School Resource Officers (SROs), and Traffic Services officers to form the team.

The NRTs are designed to increase police presence and address community concerns about crime and social disorder. The CPO will still remain the single point of contact for

each neighbourhood, and will work closely with community partners and NRT officers to increase the safety of these areas. This includes addressing issues like problem addresses, drug dealing and other incidents that require a coordinated response. Initial reception and feedback from residents, businesses, community groups and associations has been extremely positive.

While we are looking to grow this program in the future, the new NRTs will not be staffed 24/7, and expansion or extension of the program will be dependent on Ottawa Police Service Board (OPSB) budget approvals. The 2020 budget includes an increase of 13 officers to NRT from growth positions enabling two more NRT teams to be formed.

Community Development

Community Development will continue to focus on appropriate community and ethno-cultural engagement, knowledge and awareness to support both communities and police for improved relationships. This will contribute to overall community safety and well being with a goal of increasing trust and confidence in the Service.

Outreach and Recruitment

The Outreach and Recruitment Team was created in 2018 using temporary FTEs to assist in meeting hiring targets and attracting high quality officers that better meet the demographic profile of the City of Ottawa.

In 2020, the temporary Outreach team will be converted to permanent FTE members within the Outreach & Recruitment Section. This will help facilitate capacity for ongoing recruitment initiatives in 2020 and meeting targeted hiring numbers. This will also allow for the return of 5 members to frontline.

During 2019, the OPS Outreach and Recruitment section has developed new initiatives aimed at diversifying the workplace, as well as maintaining an advantage in a highly competitive recruiting environment.

In order to be successful in meeting hiring targets (up to 500 officers over five years for retirements, resignations and growth), the Outreach and Recruitment team engaged in coordinated actions with a strong focus on ensuring the hiring process is meaningful, timely, accessible, fair, and equitable. These have included but are not limited to:

- Development and implementation of programs aimed at female and racialized candidates, to promote hiring officers that reflect the diversity of our community. This has included women specific recruiting programs, enhancing social media

outreach, as well as developing new advertising programs, distributed across various media outlets. To date in 2019, 78 recruits have been hired, comprised of 28 women, making up almost 40% of hires, and 19 racialized members.

- Worked to develop/sustain/strengthen community partnerships to help in recruitment initiatives. This has included engaging community leaders as well as groups to identify, support, and mentor recruit applicants.
- Improved and streamlined the recruitment processes to retain a competitive advantage through a timely and cost effective process. The recruiting process for applicants to complete the process has been reduced from 12 - 24 months to 3 - 6 months. Cost savings have also been achieved through the development of a new interview process.
- Deployed a tool that voluntarily captures gender and diversity data for applicants to ensure that recruiting programs, policies, and practices are equitable and bias neutral.

Gun Violence Suppression

In 2018, there were 78 incidents of firearms discharged in our community, resulting in 28 people seriously injured and eight deaths. 2019 year to date, we are tracking to meet last year's record number of shootings.

The OPS and its partners have developed, and are carrying out, a targeted strategy to combat this increase in gun violence. The Ottawa strategy has four pillars: enforcement and suppression, intervention, neighbourhood cohesion and prevention. The strategy is community-based with the OPS playing a major role in all aspects. While resources to support the strategy have been limited in the past, we have seen important results with several major investigations leading to the seizure of weapons and arrests of known gang/drug trafficking suspects.

Currently, OPS operates with two Guns and Gangs covert investigative sections, two shooting investigative sections, and two uniformed Prevention-Intervention of Violence Ottawa Team (PiVOT) sections. The investigative teams focus on the proactive, intelligence led investigations into the illegal activities of the identified organized groups, and into information received on persons actively carrying firearms, whereas the PiVOT teams focus on community engagement and gang/known offender disruption tactics.

To effectively intensify the strategy on the suppression of firearm violence, OPS implemented the following plan in 2018, with funding from other levels of government entirely offsetting the cost of the plan:

- The creation of two firearm investigative response sections embedded within the Guns and Gangs Unit;
- A new dedicated firearms examiner position;
- The creation of additional investigator positions in the Guns and Gangs Unit;
- The creation of an additional PiVOT section,
- The purchase of eight fully up-fitted vehicles and other required equipment.

In total, 12 new positions were funded and created in 2018 and 2019 with an additional two externally funded positions to come online in 2020, all deployed to directly support our ongoing strategy by enforcing laws through targeted and sustained policing of criminal gang activity, prosecution, sentencing, incarceration, and court-ordered community supervision after release. As well, these resources will support our community and neighbourhood cohesion strategies and prevention and intervention efforts that have been developed collaboratively with key stakeholders and summarized within the Ottawa Gangs and Street Violence Strategy.

Equity, Diversity and Inclusion (EDI)

Ottawa Police is focused on “Making Meaningful Progress on Equity, Diversity, and Inclusion (EDI)” as set out by the Board’s Strategic Direction 2019-2020. 2020 will be a critical implementation year following the release of two 2019 reports - Diversity Audit and Traffic Stop Race Data Collection Report, as well as the development of the multi-year EDI Action Plan in the fall of 2019. The plan focuses on meaningful culture change within the OPS through coordinated and measured action and includes the following objectives:

- Strengthen our ongoing partnership work related to professional and equitable policing,
- Promote trust in policing by addressing concerns related to racial profiling, racism, human rights, diversity, bias, and discrimination,
- Foster a culture that actively promotes equity, diversity, and inclusion so that we can leverage the talent, skills and experiences of all our members.

The 2020 budget provides funding for the implementation of an EDI office, governance structure, and implementation of the EDI Action Plan.

Wellness Program

Member engagement is a key focus of this budget and Wellness Programming is one of the most important factors in the relationship between the Service and its members. It is vital that we keep our members healthy and well. For several years, OPS has invested heavily in Wellness programming designed to ensure members have immediate and unlimited access to psychological services, peer support, resiliency training, and specialized health programming.

Currently it is estimated that OPS spends \$4.2 million a year on Wellness. While that spending will continue, we have also begun to review those services to ensure that we are meeting the needs of members, keeping pace with best practices and identifying new opportunities to get our Members the support they deserve.

The Major activities included in the 2020 Budget in support of the Wellness program are:

- Staggered roll out of the Early Intervention program
- Continue to build capacity and awareness of Peer Support Team
- Continuation of Real You Program
- Continued member training on the Road to Mental Readiness (R2MR) as well as other stigma reducing initiatives.

The purpose of the OPS Wellness Program is to set out a clear, consistent and achievable strategy, to create a system of health and wellness through cultural change, education, recognition, resiliency, and support from pre-hire to post-retire. The OPS aims to have a well-rounded, highly capable membership that has opportunities for growth, while balancing the needs of the organization with those of individual members.

The following goals will help deliver real change to support achieving the vision:

- Develop an environment that is strategically led and supported with dedicated resources, improved policies and programs.
- Foster a culture with increased trust, reduced stigma, and improved practices around wellness.
- Support individuals in their wellness journey to be more aware, engaged and motivated.

Modernization Roadmap

Efforts to modernize information technology in an efficient and cost effective manner continue. Work underway has enhanced officer safety and reduced the administrative burden on front line personnel by first equipping officers with smart phones then regularly deploying 'apps' to enhance officer's communication capabilities and connectivity to important information. In addition, officers' 'office on the road' are undergoing upgrades to the cabin ergonomics and new mobile computers and printers are being installed.

The work modernizing information management and office productivity tools continues as evidenced by the deployment of a fully secured Cloud based Enterprise Data Hub providing the foundation for data analytics and the deployment of Microsoft's Office 365 suite of productivity, communication and collaboration tools. These tools will deliver timely and accurate information to members, improving service to the public.

In April 2016, the Board adopted the \$41.3 million 6 year Modernization Roadmap Program. In addition, the scope of the Program has been adjusted to focus on four key areas: **front line mobility** - equipping front line officers with the tools to better communicate, access and gather data, **information management** - improving the way OPS inputs, reconciles and manages the flow of data to perform critical analysis, **collaboration** - modernizing and expanding office tools to provide members with new productivity, communications and collaboration tools, and **foundation and security** - enhancing the cyber security of OPS as new and persistent threats emerge.

The Program has presented three bundles to the Board. The Board has received and approved the following bundles:

- Bundle 1 (\$14.7 million) – approved June 2017, work commenced in July 2017 with substantial completion in December 2018
- Bundle 2 (\$9.9 million) – approved June 2018, work commenced January 2019 with expected completion of December 2019
- Bundle 3 (\$12.4 million) – approved April 2019, work plan anticipated to be May 2019 until December 2020

Bundle 4 (\$4.4 million) will be presented to the Board in 2020 and specifies the work to be accomplished in the period May 2020 to December 2021. In keeping with previous

Board reports, the projected expenditures for the Program are listed in each Board report.

The 2020 operating budget includes a net operating expense decrease of \$0.8 million resulting from savings identified through the Program. The final request from the general capital reserve fund of \$3.9 million will occur in 2020 thus completing the \$41.3 million Modernization Roadmap funding requirement.

Facilities Strategic Plan (FSP)

In the 2020 capital budget, funding of \$16.0 million is being requested as the final budget allocation to support the planning, construction, fit up and occupancy of the new OPS South Facility located at 3505 Prince of Wales Drive. Originally designed to be delivered as 2 separate projects, the projects were consolidated to provide savings and to advance the facility delivery date (approval at the Police Service Board meeting April 29, 2019). In the operating budget proposal, an increase of \$0.4 million has been included to provide for the planned increase in the pay-as-you-go (PAYG) contribution for the FSP.

A supplemental budget envelope of \$9 million has been identified to support Information and Technology, and Communications Centre requirements at the new South Facility. This funding has been planned to be made available over 2 years (2020 & 2021) in order to cover costs associated with operational design, generator redundancy, upgraded mechanical & electrical systems, specialized furniture, racking and equipment at the new South Facility . A budget of \$1 million has been identified for 2020 (\$0.5 million each for IM/IT & Communications Centre) to initiate design requirements with an additional \$8 million to be provided in 2021 (\$3.5 million IM/IT & \$4.5 million Communications Centre).

2020 Budget Development Process

The OPS seeks opportunities for continuous improvement that not only improve service to the public, but also help ensure the Service is operating as efficiently as possible. Current policing pressures combined with budget constraints are creating increasing challenges with respect to service delivery. The OPS recognizes the importance of leveraging existing resources as much as possible to alleviate some of these inevitable pressures. The information that follows in the report provides a more detailed breakdown of OPS efforts to maximize resources and funds in the 2020 budget.

The Service has worked diligently over several years to find efficiencies and other revenue sources in order to achieve the tax rate request received from City Council. Over the previous 8 years, and what is anticipated for 2020, the Service has realized \$17.3 million in annualized total efficiencies which represents 5% of the 2020 net operating budget. Continuous improvement at OPS through strategic initiatives such as the Back Office Integration initiative, the Modernization Roadmap and the Facilities Strategic Plan, will enable the Service to maintain a lean operating environment now and in the future. A more detailed list of the \$17.3 million in efficiencies achieved over the 9 year period can be found in Document A-5 and helps illustrate OPS’s commitment to fiscal responsibility. Table 3 below provides a summary of efficiencies realized on an annual basis.

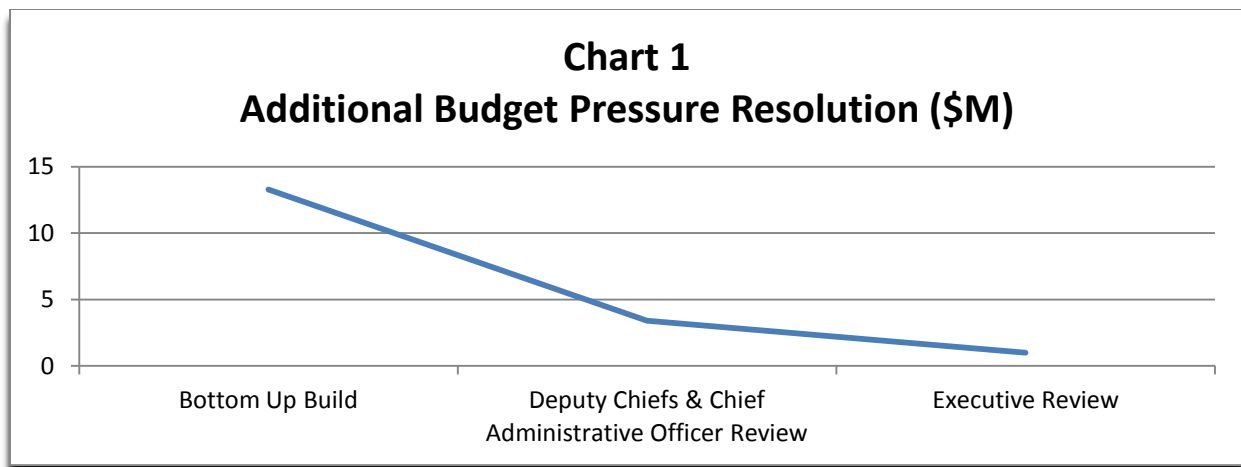
Table 3
History of Annual Budget Efficiencies

Year	Amount (\$M)
2012	1.4
2013	1.6
2014	2.9
2015	2.1
2016	2.0
2017	2.0
2018	0.6
2019	2.5
2020	2.2
Total	17.3

An important consideration in the 2020 budget development process is the financial risk identified in-year through the quarterly Financial Status Reports. The Second Quarter Report concluded that OPS is facing several pressures but has successfully identified solutions to more than offset those pressures. The Second Quarter Report highlights existing pressures in the areas of overtime, vehicle maintenance, fuel and WSIB. These pressures have been taken into consideration in developing the 2020 budget.

Engaging senior management stakeholders in the development of the budget has remained the focus of the approach again this year, with the goal of gaining a broader understanding of contributors to OPS budget pressures and solutions. The 2019 Budget included a 2020 Forecast at 4.15% tax increase which meant that OPS started the 2020 budget with a pressure of \$3.3 million dollars. This original pressure was highlighted at the September 2019 FAC meeting.

OPS began the 2020 budget process in June 2019 with a Budget Framework meeting with the Finance & Audit Committee (FAC). Directly after the FAC meeting, a briefing session with the Senior Leadership Team (SLT) was held to review the financial and operational challenges facing OPS in 2019 and the impact this would have for the 2020 budget. Budget preparation material was then circulated to all OPS staff later in June. Lastly, representatives from the Finance Section met with their contacts throughout the summer months to support the preparation of the preliminary budget estimates. Those preliminary estimates comprised the bottom up build figure of \$13.3 million in additional budget pressures as seen in Chart 1.



Meetings were held with SLT in September to present them with the results of the bottom up build and an action plan to address those pressures through meetings with their respective Executive level chain of command. The meetings with the Deputy

Chiefs and Chief Administrative Officer and their direct reports resulted in \$9.9 million of reductions to the bottom up build that was submitted in the 2020 budget. A final review was performed by the Executive Command where an additional \$2.4 million was removed leaving only \$1 million in additional pressures being brought forward. The additional \$1 million pressure coupled with the original pressure identified in the budget forecast were resolved by the Executive Command through the identification of \$4.3 million in solutions that can be viewed in Table 4 below. All of these actions removed or identified solutions for \$16.6 million dollars in pressures bringing the requests to a level of \$12.7 million, which equates to a 3% tax increase as directed by the Board.

Table 4
Budget 2020 Solutions

Item	Amount (\$M)
Pressures	
Original Pressure to Arrive at 3%	3.3
Additional Pressures Approved	<u>1.0</u>
Total Pressures	4.3
Solutions	
Efficiencies	2.2
Compensation Assumptions	1.7
Other Minor Solutions	<u>0.4</u>
Total Solutions	4.3

Council and Board Direction

On September 25th, 2019, the Proposed 2020 Budget Directions, Timeline and Consultation Process report was received by City Council and Council requested the

Police Services Board (PSB) to prepare the budget on the basis of a 3.0% tax levy increase for 2020 and that the taxation revenues generated from new properties (assessment growth) be estimated at 1.5 per cent of current taxation for 2020 and that Council request that the Police develop their draft budgets within this allocation.

At the PSB meeting on October 28, 2019, the Board provided formal direction to staff to prepare the 2020 Draft Operating and Capital Budgets based on the 3% police tax rate increase recommendation from Council.

2020 Draft Operating Budget Highlights

The 2020 Draft Operating Budget enhances the current level of policing services in Ottawa and results in a 3.0% tax increase. A 1.5% increase in assessment base growth is assumed.

This budget is in line with the Board's direction. The budget provides the necessary operating and capital requirements as identified by Executive Command along with a funding strategy developed with the City Treasurer. The funding strategy reduces the police tax rate increase to 3% in 2020 and holds the tax rate increases in the 3.3% to 4.0% range for the 2021-23 forecast periods.

Table 5 summarizes the details underlying the \$12.7 million funding requirement and a more comprehensive version is included in Document A-1. The changes are categorized in accordance with City of Ottawa budget reporting as outlined below and discussed in the sections which follow.

1. Maintain Services – ensures continued delivery of quality policing services
2. Growth – expansion of policing services in support of the growth of the City's population
3. New Services – new operational requirements
4. Efficiencies & Reductions
5. User Fees & Revenues

6. 2 Additional Officers (Gun Violence)

7. Grant Funding – 2 Additional Officers

Table 5
2020 Draft Operating Budget
(\$ millions)

Category	Incremental Budget Increase
1. Maintain Services	\$10.1
2. Growth	4.4
3. New Services	0.5
4. Efficiencies & Reductions	(2.2)
5. User Fees & Revenues	(0.1)
6. 2 Additional Officers (Gun Violence)	0.8
7. Grant Funding For 2 Officers	(0.8)
Incremental Requirement	\$12.7
Police Tax Rate Increase	3.0%

Category 1: Maintain Services - \$10.1 million increase

Net Compensation	\$8.7 M
Non-compensation items	1.4 M
Maintain Services	<u>\$10.1 M</u>

Maintaining existing service levels creates an incremental budget requirement of \$10.1 million for 2020. This category typically comprises the majority (80% in 2020) of the total incremental funding requirement.

Compensation Increases and Increments - \$8.7 million increase

With 82% of the Ottawa Police Service gross operating budget dedicated to staffing costs, the compensation element of the budget constitutes the most significant cost driver each year.

The 2020 compensation budget supports OPS staff complement of 2,085.9 full time equivalents (FTE's): 1,460 sworn officers and 625.9 civilian members (including Special Constables and casual employees). The sworn staffing level reflects the staffing plan increase of 30 new Constable positions. The cost for the 30 new Constable positions is included in the growth category with 2 additional officers funded in the grant funding category. OPS will be increasing by 2 civilian FTE's in the Equity, Diversity & Inclusion Office and another 2 civilian FTE's through the establishment of a casual pool for the Court Security special constables. A reduction of 8 civilian FTE's is anticipated through efficiencies to arrive at a net decrease of 4 civilian FTE's from 2019.

Staffing levels are charted by section and over time in Document A-2, A-3.0, A-3.1 and A-3.2.

A total of \$8.7 million was added to the compensation budget to account for all the expected changes in 2020. Of the \$8.7 million, \$7.9 million was for the cost of members moving through their salary steps, members qualifying for various levels of Responsibility Pay and a provision for a negotiated pay increase in 2020.

Compensation is being adjusted upwards by a further \$0.3 million for pressures stemming from Worker's Safety and Insurance Board (WSIB) claims and lastly, an increase of \$0.5 million related to the expanded Canada Pension Plan (CPP) program.

Materials, Supplies and Services - \$0.5 million increase

Inflationary and maintain pressures totalled \$1.3 million of budgetary pressures. A complete and detailed list of these pressures is shown in Document A-4. A further pressure of \$0.5 million, for stabilizing the base, relates to the Fleet pay-as-you-go reserve fund contribution increase.

The 2019 funding strategy identified the continuation of one time funding of \$2.4 million in 2020 that will result in a net zero incremental pressure on the 2020 budget. The funding strategy also planned for a \$1.3 million increase in red light camera revenue.

Revenue – \$0.5 million decrease

One time revenue in the amount of \$0.5 million pertaining to the Guns & Gangs grant for the 2018-2019 provincial fiscal year is being reversed in maintain services with the ongoing base of \$2 million being established in a separate category below specific for the Gun Violence grant funding.

Facilities Strategic Plan Funding – \$0.4 million increase

The annual pay-as-you-go increase, of \$0.4 million, for the Facilities Strategic Plan was reinstated in 2020, and that amount will be maintained through to 2023, to ensure that the OPS can meet the requirements stemming from the Facilities Strategic Plan.

Category 2: Growth: 30 Officers - \$4.4 million increase

Workload and service demands are increasing challenges for OPS. In 2020, OPS is continuing its annual sworn officer growth hiring of 30 positions per year and that will continue for the foreseeable future.

The 30 growth officers will be brought in gradually throughout the year and will comprise a mixture of new recruits and direct entry officers from other services. This increase in complement will cost \$4.4 million in 2020. This amount is comprised of compensation costs of \$1.3 million and non-compensation costs of \$1.4 million to cover equipment, training, vehicle operating costs and a contribution to capital for vehicle and other equipment purchases. The additional 30 officers hired in 2019 will create a pressure of \$1.7 million in compensation costs through the full year impact of their hiring being realized in 2020.

Document A-8 outlines the sworn staffing strategy over the 2016-2020 time period.

Category 3: New Services - \$0.5 million increase

The Modernization Roadmap is a transformative undertaking that will address budget pressures, service demands, existing and new crime threats, changes in citizen expectations for service and the data deluge which is on the horizon. A new and different technology platform and approach to managing information is crucial to a successful transformation.

The prime contractor, PricewaterhouseCoopers, continues to progress through their work plan for the second bundle of deliverables that was presented and approved by the Board at the June 2018 Board meeting and has commenced their work plan for the third bundle of deliverables that was presented and approved by the Board at the April 2019 Board meeting. The 2020 operating budget impact for the Roadmap is anticipated to include a \$0.8 million decrease in our operating expenses as well as a \$1.3 million increase in the pay-as-you-go funding contribution to the capital reserve fund to attain the \$41.3 million Modernization Roadmap program budget requirement.

Category 4: Efficiencies & Reductions - \$2.2 million decrease

The OPS is continually seeking ways to reduce operating costs while maintaining its core objectives. In 2020, efficiencies & reductions in the amount of \$2.2 million have been identified.

Back Office Integration – \$0.5 million efficiency

At the Boards request, the Service committed to look into back office efficiencies by researching integration options with City services, processes & technology. The budget provides for efficiencies of \$0.5 million.

Other Efficiencies & Reductions - \$1.2 million

In alignment with the back office integration, a further \$1.2 million of efficiencies have been identified.

Compensation - \$0.5 million efficiency

The OPS is able to reduce its compensation requirements by \$0.5 million as a result of negotiated changes to step increases for new recruits hired after January 1, 2018. The primary driver allowing for this efficiency is the change in time that a constable moves upwards from a 4th class to a 1st class constable. That duration changed from 12 months to 15 months for each step as per the current collective agreement.

Category 5: User Fees & Revenues - \$0.1 million increase

The objective of the Board's 2007 User Fee policy is to ensure that the pool of revenue generated by user fees grows at the same pace as the costs. This policy requires an annual review and analysis of user fees. For 2020, a revenue increase of \$0.1 million is anticipated due to increased demand. Document A-6 lists the user fee portion for 2020.

Document A-7 summarizes all revenues and recoveries captured in the 2020 Draft Budget, with comparisons to the previous year.

Category 6 & 7 – Expected Grant Funding for 2 Additional Officers - \$0 impact

In 2020, the Service expects to receive \$2 million in grant funds from the Province to help quell the increasing gun violence the City is facing. Those funds will be utilized by continuing to fund the 12 additional officers allocated to Guns & Gangs and PiVOT in 2018 & 2019 as well as an additional 2 officers hired in 2020, for a total compensation cost of \$1.9 million. An additional \$0.1 million is required to cover the training and equipment costs for those additional officers.

2021 – 2023 Draft Operating Budget Forecast

The operating budget forecast for the 2021-2023 period is based on a staffing plan that will see an expansion of the sworn officer complement by 30 officers each year. When all factors have been taken into account, the tax rate increases for the forecast period ranges between 3.3% to 4.0% , which equates to \$15.7 to \$16.4 million annually, as shown in Table 6.

Table 6
2021-2023 Draft Operating Forecast
(\$ millions)

Incremental Requirement	2021	2022	2023
Maintain Services	\$13.4	\$11.8	\$11.7
Growth	\$3.9	\$4.0	\$4.1
New Services	\$0.2	\$0.0	\$0.0
Efficiencies	(\$1.0)	\$0.0	\$0.0
User Fees and Revenues	(\$0.1)	(\$0.1)	(\$0.1)
Incremental Requirement	\$16.4	\$15.7	\$15.7
Police Tax Rate Increase	4.0%	3.5%	3.3%

2021

The incremental budget requirement for 2021 is \$16.4 million, or a 4.0% tax increase based on the following estimates, assumptions and known pressures:

- A reasonable contingency for salary settlements
- Step progression cost of additional sworn officers advancing to 1st class Constables
- Estimate of \$0.4 million for increasing WSIB claims
- An estimate of \$0.6 million related to the expanded Canada Pension Plan (CPP) program including rate increase and adjusted maximum income levels qualifying for CPP
- A provision of \$0.8 million to maintain services & supplies
- Pay-as-you-go increase of \$0.5 million for specialized asset replacement
- Reversal of one time funds from the City of \$2.4 million
- Red light camera revenue of \$1.2 million
- An increase of \$0.4 million for the Facilities Strategic Plan.
- Planned growth of 30 Sworn FTE's hired throughout the year
- Efficiencies of \$1 million from back office integration
- A total of \$0.2 million for new services (Modernization Roadmap)

- User fee revenue rate increase of \$0.1 million
- Assessment base growth of 1.5%

2022

The incremental budget requirement for 2022 is \$15.7 million, or a 3.5% tax increase based on the following estimates and assumptions:

- A reasonable contingency for salary settlements
- Step progression cost of additional sworn officers advancing to 1st class Constables
- Estimate of \$0.4 million for increasing WSIB claims
- An estimate of \$0.7 million related to the expanded CPP program including rate increase and adjusted maximum income levels qualifying for CPP
- A provision of \$0.85 million to maintain services & supplies
- Pay-as-you-go increase of \$0.5 million for specialized asset replacement
- An increase of \$0.4 million for the Facilities Strategic Plan.
- Planned growth of 30 Sworn FTE's hired throughout the year
- Transfer of \$0.9 million to operating from capital (Modernization Roadmap)
- User fee revenue rate increase of \$0.1 million
- Assessment base growth of 1.5%

2023

The incremental budget requirement for 2023 is \$15.7 million, or a 3.3% tax increase based on the following estimates and assumptions:

- A reasonable contingency for salary settlements
- Step progression cost of additional sworn officers advancing to 1st class Constables
- Estimate of \$0.5 million for increasing WSIB claims
- An estimate of \$0.75 million related to the expanded CPP program including rate increase and adjusted maximum income levels qualifying for CPP
- A provision of \$0.9 million to maintain services & supplies
- An increase of \$0.4 million for the Facilities Strategic Plan.
- Planned growth of 30 Sworn FTE's hired throughout the year
- User fee revenue rate increase of \$0.1 million
- Assessment base growth of 1.5%

2020 Draft Capital Budget

The Ottawa Police Services Board aims to provide an adequate capital envelope to ensure that assets such as fleet, facilities and information technology are replaced as required. For 2020, the Board will consider a capital budget request totalling \$35.0 million. Funding for these projects will come from an almost even split of pay-as-you-go funding and debt. Table 7 below provides a summary.

The capital budget falls into three categories in 2020: renewal of assets, growth and strategic initiatives. Projects totalling \$11.1 million are for the renewal of OPS assets including:

- Fleet - \$4.6 million
- Facility lifecycle - \$2.3 million.
- Information technology infrastructure - \$4.2 million

Projects totalling \$17.0 million are for the growth category including:

- New South Division Police Facility - \$16 million
- New South Division Comms Centre - \$0.5 million
- New South Division IM/IT - \$0.5 million

The strategic initiative category requires funds of \$6.9 million and is made up primarily of the Modernization Roadmap & Facilities Capital projects. Descriptions of all 2020 capital projects are provided in Document B-3.

A capital works in progress report is provided in Document B-1 which summarizes the status of all existing OPS capital projects. These projects were reviewed during the development of the capital budget to ensure project objectives were being achieved.

Table 7 - 2020 Capital Budget (\$ millions)

Capital Project	Total Need	Funding Source			
		PAYG	Revenue	DC	Debt
Renewal of Assets					
Fleet Program	\$ 4.6	\$ 4.3	\$ 0.3		
IT Infrastructure	3.0	3.0			
Telecommunications	1.1	1.1			
Facility Lifecycle	2.3	2.3			
Ever greening of Assets	0.1	0.1			
Subtotal	\$ 11.1	\$ 10.8	\$ 0.3	\$ -	\$ -
Growth					
New Facility – South	\$ 16.0	\$ -	\$ -	\$ -	\$ 16.0
New Facility – South IM/IT	0.5	0.5			
Communications Center – Comms 1	0.5	0.5			
Subtotal	\$ 17.0	\$ 1.0	\$ -	\$ -	\$ 16.0
Strategic Initiatives					
Modernization Roadmap	\$ 3.9	\$ 3.9			
Forensic Identification	0.5	0.5			
Material Management Service Delivery	0.2	0.2			
Facility Utilization	0.7	0.7			
Facility Initiatives	0.4	0.4			
Growth Costs	1.2	1.2			
Subtotal	\$ 6.9	\$ 6.9	\$ -	\$ -	\$ -
Total	\$ 35.0	\$ 18.7	\$ 0.3	\$ -	\$ 16.0

Ten-Year Capital Forecast

The ten-year requirement for OPS capital spending is estimated to be \$259.7 million, and ranges from a high of \$42.8 million in 2025 to a low of \$16.0 million in 2026. The summary of the 10 year requirement is shown below in Table 8. Document B-2 presents the forecast by individual project and by category of need.

Table 8

OPS Ten Year Capital Needs Summary - 2020-2029

(\$ Millions)

Category	Gross Need	Funding			
		PAYG	Revenue	DC	Debt
Renewal of Assets	\$131.5	\$128.6	\$ 2.9		
Growth	\$ 31.0	\$ 15.0			\$ 16.0
Strategic Initiatives	\$ 97.2	\$ 38.8			\$ 58.4
Total	\$259.7	\$ 182.4	\$ 2.9	\$ -	\$ 74.4
% of Total		70%	1%	0%	29%

Capital funds required for the renewal of assets, which includes fleet replacement, information technology renewal (including telecommunication) and facility lifecycle, totals \$131.5 million. These projects are financed exclusively from PAYG sources or revenue garnered from the sale of assets.

Growth projects (\$31.0 million) include the final funding for the construction of the new South Division Police Facility and land costs, and specialty requirements for South IM/IT & Communications Centre. Debt and payments from the various reserve funds will be the sources of funding for the growth projects.

Strategic Initiatives account for \$97.2 million of the capital forecast. The largest project within the entire 10 year timeframe relates to the new Central Patrol Facility which is

budgeted to cost \$43.4 million. Funding for the projects within this last category will mainly come from debt and the General Capital Reserve Fund.

Status of OPS Reserve Funds

The OPS has two reserve funds that play key roles in capital funding. Document B-4 provides a Continuity Schedule for each of the reserve funds. The status of the current reserve funds are as follows:

Fleet Replacement Reserve Fund

This fund finances the vehicle replacement program of roughly \$5 million to \$7 million annually. The vehicle replacement program was increased in 2020 and funded by a \$0.75 million pay-as-you-go increase. It carries a minimal balance year over year. The contribution will increase annually to cover the regular replacement purchase of vehicles for the 30 new sworn officers added to the complement as well as for inflationary price increases. The contribution variance is due to the replacement of a major vehicle such as the command post.

OPS General Capital Reserve Fund

The General Capital Reserve Fund finances the annual IT & specialized equipment replacement plan, the lifecycle requirements for OPS facilities as well as the strategic initiatives, which include the Facilities Strategic Plan and the Modernization Roadmap. The continuity schedule for the reserve fund, showing the contributions, expenditures and final balance can be found in Document B-4. This schedule shows that all planned projects can be funded.

A \$5.6 million balance in the General Capital Reserve Fund will be on hand at the end of 2020. The continuity is based on the following capital formation contribution adjustments:

- The Modernization Roadmap for the 2020–2021 periods as outlined in Annex A-1 under New Services.
- The Facilities Strategic Fund increase of \$0.4 million in 2020 and beyond.
- A contribution adjustment of \$0.5 million was introduced in 2019 for a two year period to address the capital requirements associated to growth costs.
- Lastly, an increase of \$0.5 million in 2021 and 2022 for the establishment of an asset ever greening base for specialized equipment.

CONSULTATION

The 2020 Draft Operating and Capital estimates will be presented and tabled with the Ottawa Police Services Board and City Council on November 6, 2019.

The Finance and Audit Committee meeting scheduled for November 14, 2019 is another opportunity for public consultation to occur.

Lastly, public consultation will also occur on November 25, 2019 at 4:00 p.m. during the regular meetings of the Police Services Board in the Champlain Room at City Hall. On that date, formal consideration, review and approval of the 2020 Budget will occur.

City Council will review and approve the Draft 2020 Estimates on December 11, 2019.

FINANCIAL IMPLICATIONS

Financial implications are presented within the report.

SUPPORTING DOCUMENTATION

Document A-1	OPS 2020 to 2023 Operating Forecast
Document A-2	OPS 2020 Staff Complement Summary by Section
Document A-3.0	OPS 2019/2020 Staff Complement Summary by Rank
Document A-3.1	OPS Summary of Civilian Complement by Pay Group 2015-2020
Document A-3.2	OPS Summary of Sworn Complement by Rank & Category 2015-2020
Document A-4	OPS 2020 Maintain Services Summary
Document A-5	OPS History of Efficiencies
Document A-6	OPS 2020 Recommended Fee Schedule (English and French)
Document A-7	OPS Revenue Comparison 2019 vs. 2020
Document A-8	OPS Sworn Staffing Strategy 2017-2020
Document A-9	OPS History of Gross and Net Expenditures
Document B1	OPS Capital Budget Works in Progress
Document B2	OPS 2020-2029 Capital Forecast (English and French)
Document B3	OPS 2020 Capital Project Details
Document B4	OPS 2020 to 2029 Continuity Schedules

CONCLUSION

The Ottawa Police Service is tabling a draft 2020 gross operating budget of \$362.1 million which results in a Police Tax Rate increase of 3.0%. The 2020 draft capital budget is tabled at \$35.0 million. Approval of the budget will ensure that the Board and the Service have the funds required to meet the Strategic Plan and the Chief's Operational Priorities for 2020.

(original signed by)

Peter Soly

Chief of Police

