

2016 Year End Financial Update

Finance and Audit Committee
February 13, 2017



OTTAWA POLICE SERVICE
SERVICE DE POLICE D'OTTAWA

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

2016 Police Operations

- Multiple challenges
- Increase in homicides and shootings
- Major events (Hells Angels, New Year's Eve)
- High OT usage
- North American Leaders' Summit

\$0.3 m deficit in these accounts



Mitigation Strategies and Factors

Deficit in police operations was offset by:

- OT management strategy
- Spending reductions
- OPA contract settlement



2016 Fiscal Accounts

- Less control over these accounts
- Several large and unexpected costs arrived in 4th quarter including:
 - High legal claims and settlement
 - Unexpected large retirement payouts
 - Higher leave liabilities from unused vacation

\$2.4 m deficit in these accounts



2016 Financial Results

Surplus / (Deficit)	Amount (\$M)
Police Operations	\$ (0.3)
Police Fiscal Accounts	(2.4)
Total Police Operating Accounts	(2.7)
Non-Departmental Accounts	(3.7)
Total Business Area	\$ (6.4)



2016 Police Operations

Pressure	Amount (\$m)
Overtime	(3.3)
CRC Revenue	(1.0)
Job Evaluation	(0.6)
WSIB	(0.4)
Vehicle Maintenance	(0.1)
Total	(5.4)



2016 Police Operations

Solutions	Amount (\$m)
Contract Arbitration	2.2
Reduced Spending	1.1
Facility Operations	0.6
Revenues – Paid Duty / Backgrounds	0.5
Benefits	0.3
Fuel	0.3
Court overtime	0.1
Total	5.1



2016 Fiscal Accounts

Pressure	Amount (\$m)
Insurance Claims and Settlements	(1.3)
Retirements	(0.6)
Leave Liabilities	(0.5)
Total	(2.4)



Police Operating Accounts – 5 Yrs

Surplus/(Deficit) - (\$M)	2012	2013	2014	2015	2016
Police Operations	\$ 1.4	2.5	0.9	(0.9)	(0.3)
Police Fiscal Accounts *	(1.3)	(2.4)	(0.2)	1.0	(2.4)
Total Police Operating Accounts	0.1	0.1	0.7	0.1	(2.7)



2017 Police Operations

- Front Line Deployment Model
- Additional 25 Sworn Hired
- Enhanced Overtime Reporting
- Budget Adjustments



2017 Fiscal Accounts Budget

- Analysis to determine plan for insurance claims and settlements
- Leave usage monitoring

Last 5 Years – Insurance Claims Experience

Insurance & Claims - (\$M)	2012	2013	2014	2015	2016
Actual	\$ 1.9	1.3	1.4	1.8	2.4
Budget	1.1	1.1	1.1	1.1	1.1
Variance	(0.8)	(0.2)	(0.3)	(0.7)	(1.3)



Next Steps

- City to present Year-end Disposition to FEDCO
 - March 7, 2017
- OPS staff to present Annual Financial Report
 - March 27, 2017 PSB meeting
- City to present Year-end Disposition to Council
 - April 12, 2017



Recommendation

That the Finance and Audit Committee

1. Receive this for report for information

