

OTTAWA POLICE SERVICES BOARD
FINANCE AND AUDIT COMMITTEE MEETING

MINUTES 8

11 September 2017, 10:00 a.m.
Richmond Room, 2nd floor, Ottawa City Hall

Present: Members: E. El-Chantiry (Chair), J. Durrell (Vice Chair) L.A. Smallwood

Others: Board Member S. Valiquet, Chief C. Bordeleau, Director General D. Frazer, Deputy Chief J. Skinner, Deputy Chief S. Bell, Chief Financial Officer J. Letourneau, Director J. Steinbachs, Councillor R. Brockington, Executive Director K. Ferraro, Board Assistant L. Kennedy

CONFIRMATION OF AGENDA

That the Finance and Audit Committee confirm the Agenda of the 11 September 2017 meeting.

CARRIED

CONFIRMATION OF MINUTES

That the Finance and Audit Committee confirm the Minutes from the 5 June 2017 meeting.

CARRIED

BUSINESS ARISING FROM MINUTES

There was no business arising from the Minutes.

ITEMS OF BUSINESS

1. 2018 BUDGET DIRECTIONS AND TIMETABLE

Presentation

The Committee received a presentation on the draft 2018 police budget which included highlights, an outline of challenges/pressures and the current context, the budget timetable, and a forecast for 2019-2021. The budget was prepared to meet the 2% target directed by the Board.

During and following the presentation, the following points were raised:

- The 2018 budget addresses key operating budget risks that are ongoing: overtime, long term disability and WSIB claims, and legal settlements and claims.
- Overtime (OT) has been a yearly budget pressure of \$3 million since 2015. The main reasons are staffing shortages, the high number of shootings and homicides, a lot of ESU callouts with prolonged search periods, and shortages in the Communications Centre. As well, the practice of accepting lieu time was stopped as it was a breach of the collective agreement. This meant members would be submitting this time as overtime going forward, better reflecting the reality of OT. While adding more staff does help with day to day operations, major incidents will always have overtime impacts.
- Collision Reporting Centres are also falling short of expected revenue as sale of collision reports to insurance companies is lower than expected and lower than similar jurisdictions (Peel and York). OPS is looking into the reason.
- To keep in line with the 2% target, a one-year contribution holiday for capital reserves is proposed as the Chief gave direction to staff to not cut staff or services. This will result in increased funding requirements in 2019-2027 however if the payment plans are maintained, there should be no impact on spending plans. Since the IT Roadmap consists of a five-year contract, OPS needs to ensure there is enough money in the general reserve. They are working with PwC to determine project impacts/delays.
- The budget forecast includes the addition of 30 new members each year from 2019-2021, on top of replacing for retirements/resignations. This is meant to help address how policing work is changing, becoming more complex, and taking longer. It is also meant to address upcoming legislative changes (i.e. legalization of marijuana) and increased demands from the public.
- The budget forecast also includes a target of \$2 million each year in efficiencies. Given that this target could not be achieved in 2018, discussion took place on whether this target is realistic and should

be included in the forecast, or possibly reduced, especially since over 90% of the budget is fixed. If the efficiencies are removed, the tax rate will go up by 1% each year. The Committee decided to leave this in the draft budget for the full Board to decide on whether it should be included.

- The 2018 budget includes a \$600,000 target for efficiencies through background fee increases. This is a separate report that will be coming to the Board for approval. If it is accepted by the Board, it will be implemented in 2017. If not, it creates a pressure.
- It was clarified that the pilot project to provide Naloxone to officers was not being funded by the province however the Ontario Associations of Chiefs of Police has requested that the Ministry of Community Safety and Corrections Services and the Ministry of Health help fund it.
- The reference to “City costs” include areas such as fleet, facilities, and payroll, which was recently outsourced to the City.
- At year-end, budget balances, whether surplus, or deficit, are transferred to the City.
- Police vehicle standards are Provincially mandated. A move to the Ford Explorer with the standard police package has been made. These vehicles are easier and cheaper to maintain, and highly fuel efficient. The vehicle cabin is the officer’s mobile office and the environment needs to be ergonomically safe.

Overall comments around the budget centered around the challenge of delivering on a 2% target while also addressing increased needs and demands for policing services. The accumulation of pressures created by the 2% increases over the years has meant that rising costs are being deferred to future years. Suggestions were made to ensure OPS is able to provide clear arguments for the addition of more officers in future years and to explain why overtime pressures are increasing despite staffing increases.

A request was also made to have a slide added to the presentation providing an update on the unfunded liability contributions and if

adjustments need to be made to the retirement account.

That the Finance and Audit Committee receive this presentation for consideration.

CARRIED

OTHER BUSINESS

NEXT MEETING

4 October 2017, 10:00 a.m.

ADJOURNMENT

The meeting adjourned at 12:30 p.m.

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