

Report to / Rapport au:

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

25 September 2017 / 25 septembre 2017

Submitted by / Soumis par:

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

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SUBJECT: 2018 BUDGET DIRECTIONS AND TIMETABLE

OBJET: ORIENTATIONS ET CALENDRIER BUDGÉTAIRES DE 2018

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board:

- 1. Direct staff to prepare the 2018 Draft Operating and Capital Budgets based on a 2% tax increase and an estimated 1.3% increase in taxes resulting from growth in assessment base.**
- 2. Approve the 2018 budget review and approval timetable.**

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa :

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- 1. Demande au personnel de préparer les budgets préliminaires de fonctionnement et d'immobilisations de 2018 en fonction d'une augmentation des taxes de 2 % et d'une augmentation des recettes d'imposition découlant de la hausse de l'évaluation foncière estimée à 1,3 %.**
- 2. Approuve le calendrier d'examen et d'approbation budgétaires de 2018.**

BACKGROUND

Section 39 of the *Police Services Act* requires the Ottawa Police Services Board (Board) to approve annual budget allocations for the Ottawa Police Service (OPS) 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 annual budget enables the Board to set its priorities and provide direction to management. It supports service levels, provides the authority to proceed with key operational projects and confirms the necessary funding to carry out the 2018 work plan.

City Council has set the budget guideline and timetable for the 2018 process. On June 14, 2017, it gave direction to the Police Services Board (PSB) to prepare the budget on the basis of a 2% tax increase and an estimated 1.3% increase in taxes resulting from growth in the assessment base. Council approval of the 2018 Operating and Capital Budget is set for December 13, 2017.

The approach in this report will align the Police Services Board with Council's direction with respect to both the 2% budget increase target and the timetable for review and approval.

DISCUSSION

2018 Operating Budget Target

Staff has been developing the budget proposal under the guidance of the Board's Finance and Audit Committee. This work will lead to a budget proposal that is in keeping with the goal of a 2% tax increase for 2018. In setting priorities for funding, the key one is the addition of 25 more officers in 2018 to address risks and service needs. A \$3.0 million reduction in existing pay-as-you-go contributions is also a vital part of the budget. Table 1 provides a high level view of the budget proposal. The pressures and solutions addressed and arrived at during the budget review process will be outlined in the draft documents tabled with the Board on 8 November 2017.

Table 1

2018 Draft Operating Budget Proposal

Incremental Requirement	\$M
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Maintain Services	9.7
Pay-as-you-go contributions	(3.0)
25 Officers	2.6
New Services and Needs	0.0
Service Initiatives and Efficiencies	(0.6)
User Fees and Charges	.. (0.2)
Net Taxation Increase	\$ 8.5
Police Tax Rate Increase	2.0%

Multi-Year Forecast

In the draft budget document staff will be tabling high-level operating budget forecasts for the 2019-2021 period as recommended by the Auditor-General during his review of the Board's budget process.

2018 Budget Schedule

The schedule in Table 2 provides the key dates for the tabling, public consultation, consideration and approval of the Board's 2018 budget, aligning with Council's direction.

Staff will table the draft budget document with the Board, followed by Council, at a special meeting on November 8, 2017. Public delegations, Board consideration and approval of the budget is scheduled for the Board's regular meeting on November 27, 2017. Council's approval of the budget will occur on December 13, 2017.

Table 2

Ottawa Police Service Budget Review and Approval Timetable

Milestone	Date
OPS Board Special Meeting, City Council Special Meeting	8 November 2017
OPS Board Finance and Audit Committee Meeting	20 November 2017
OPS Board Regular Meeting: Public Delegations	27 November 2017
City Council Review / Adoption of 2018 Budget	13 December 2017

CONSULTATION

Public delegations are welcome at the 20 November 2017 Finance and Audit Committee meeting and the 27 November 2017 meeting of the Board when they consider and approve the 2018 Police Budget.

FINANCIAL IMPLICATIONS

The financial implications of the 2018 budget and forecast are detailed in the body of the report.

CONCLUSION

The approach outlined in this report will ensure that the Board is aligned with Council's budget directions for 2018, namely that police tax rate be set at 2%. Following the timetable outlined in the report will enable the Board to table, review and approve the budget so that it is ready for consideration by Council on December 13, 2017.