

BUDGET NOTES

SALARIES

The Salaries account is modestly unfavourable at 100.43 per cent spent at December 31, 2006 mainly as a result of the negotiated 2006 uniform and civilian collective agreement.

Net Overtime is 105.51 per cent spent which includes the estimated banked liability. A deficit in Salary-Overtime is partially offset by favourable variances in Court Overtime and Returned Overtime. The actual payout to date, before overtime bank accrual, is \$2,090,975.

BENEFITS

Employee benefits accounts are favourable at 97.03% per cent spent.

OPERATING EXPENSES

Administration Expense

A net favourable variance is the result of under-spending in both the Repair and Maintain Computer Software and Computer Equipment Lease accounts.

Program Related Expense

Expenditures are over budget due primarily to higher than planned fuel expenses. Below plan investigative expenses are offset by above plan equipment purchases and service agent fees.

Professional Services Expense

Consultant fees are below budget.

Occupancy Expense

Renovations to the Support Services washrooms, final expenditures pertaining to the Communications upgrade, security systems at Headquarters and Investigative Services, security window films at the Districts, and renovations due to the relocation of various units, have generated a deficit in the Building Renovations account.

Repairs & Maintenance Expense

Expenditures pertaining to maintenance contracts (buildings) and vehicle maintenance exceeded budget.

Financial Items

Allocated debt interest payments are unfavourable.

Contributions to Reserves

The purchase of additional vehicles (through the capital vehicle project) has caused the deficit in this account.

Internal Charges

The allocation for fuel from Transportation & Works is under budget.

Asset Acquisition

Unbudgeted Information Technology expenditures of \$1,859,171 pertain to the Municipal

Technology Grant Fund. These expenditures are offset by corresponding unbudgeted Provincial Grant revenue. The purchase of vehicle lease buy-outs and several computer hardware items including local storage, E-ticket devices and backup systems, was unbudgeted.

REVENUES

Revenue accounts are favourable at 131.91% received due primarily to \$1,863,319 of funding for the Municipal Technology Grant Fund. An unfavourable variance in Alarm Monitoring Fees is offset by an increased volume in Fees & Charges, Funeral Escorts, Accident Reports, Third Party Recoveries, Clearance Letters, and Volunteer Applicant Screenings. The Contribution from the Sick Leave Reserve is minor.

POLICE SERVICES BOARD PUBLIC RELATIONS FUND

Year-to-date contributions to the reserve as of December 31, 2006 total \$62,117 comprised of \$17,938 from forfeited monies and \$44,179 from property auctions. There is additional funding of \$4,136 from interest earned and to date \$18,960 has been drawn down to pay for approved expenditures.

CRIME ABATEMENT RESERVE

The balance of the reserve (\$141,551) was used to fund Capital vehicle purchases related to the Guns & Gangs strategy.

CAPITAL PROJECTS

The recently completed #2 District Headquarters project is in cost over-run by (\$133,531) due to unplanned furnishings. The Renovations to Existing Facilities project which was completed in 2005 recognized a minor cost over-run of (\$30,177).