



2018 Operating and Capital Budgets Overview

October 18, 2017

Jeff Channell, Manager Financial Services
Sunita Erry, Assistant Manager Financial Services



Presentation Overview

- Budget Expectations
- Operating Budget and Overview
- Operating Pressures and Risks
- Capital Budget Proposal and Outlook





2018 Budget Expectations

2018 Proposed Operating Budget meets envelope

- Year four of the four-year multi-year budget process
- 2018 Operating envelope \$324.2M & Capital \$22.3M
- Capital envelopes including funding envelopes inclusive of Debt Reduction Reserves
- Multi-Year Budgeting benefits:
 - Tighten the links between budgeting and strategic priorities
 - Improving fiscal discipline
 - Provide a longer-term outlook for program and service planning purposes
 - Reducing uncertainties about future tax levies
 - Providing a long-term outlook to those who rely on Regional funding for programs they deliver

3



Edits since Tabling in September

Operating

- Included PAVIS in grant revenue (\$379K)



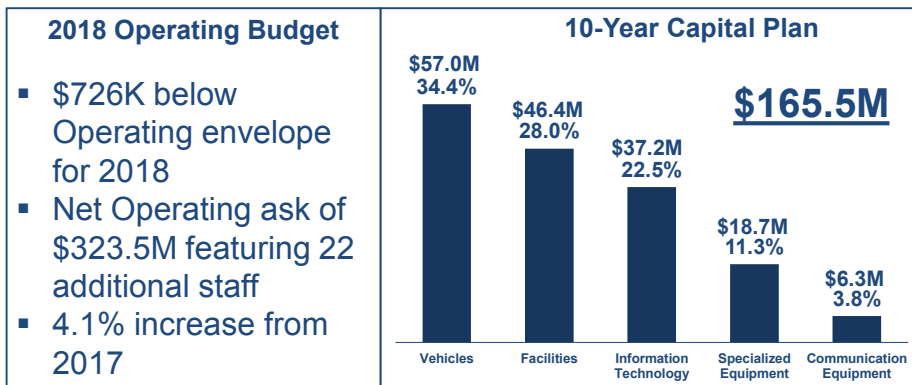
Capital

- 2019 Air Operations Camera (\$568K)
- 2023 – 2024 Deferral of Aurora Substation to 2033 – 2034 (\$8M)
- No change to 2018

4



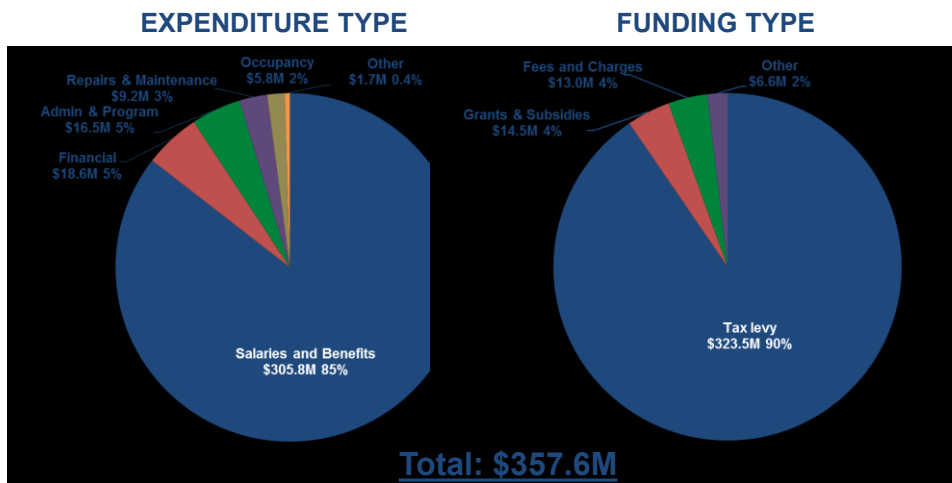
Revised 2018 Operating and 10-Year Capital Budget



5



2018 Operating Budget Outlook



*Gross Operating Budget

6



2018 Revised Operating Budget

Base Adjustments	Incremental (in \$000s)		
Collective agreement, reclassifications, complement mix, attrition gapping	\$10,287		
Annualization of 2017 additional staff salary gapping	\$1,771		
Increase to operating expenses	\$1,868		
Contribution to capital (reserves)	(\$359)		
Debt, Principle & interest, contribution to debt reduction, net of development charges	\$241		
Revenues	(\$356)	\$13,452	4.3%
Efficiencies & Program Reductions			
Psychological Purchase of service, Printing, Translation and Computer supplies	(\$229)	(\$229)	-0.1%
Legislated & Contractual			
Provincial Upload of Court Security and Prisoner Transportation	(\$1,063)		
PAVIS	(\$379)		
Proceeds of Crime	(\$28)	(\$1,470)	-0.5%
Growth & Service Level			
14 Sworn and 8 Civilian support staff	\$967	\$967	0.3%
Total Tax-Levy Increase, before assessment growth	\$12,720		4.1%

Tax-Levy increase: 102% Salaries & Benefits

7

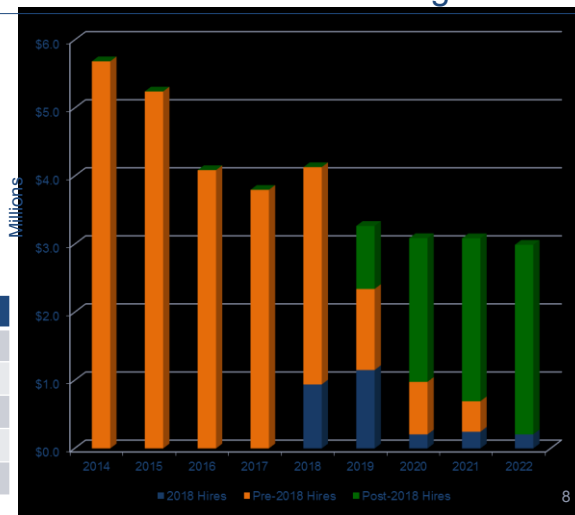


Wage Impacts of New Hires

30.5% of the 2018 increase from new hire wage costs

- **Gapping** – Initial year costs to reflect partial year intake dates.
- **Annualization** – Second year phase to budget the remaining full-year costs.
- **Reclassification** - Progressions through the salary grid:

Rank	Salary	Increment
Cadet	\$53,118	
4 th Class	\$65,429	\$12,311
3 rd Class	\$74,753	\$9,324
2 nd Class	\$86,142	\$11,389
1 st Class	\$96,759	\$10,617

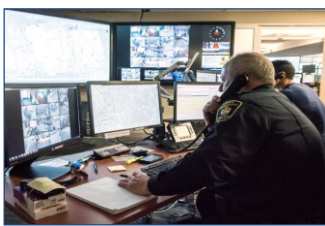


8



Efficiencies Update

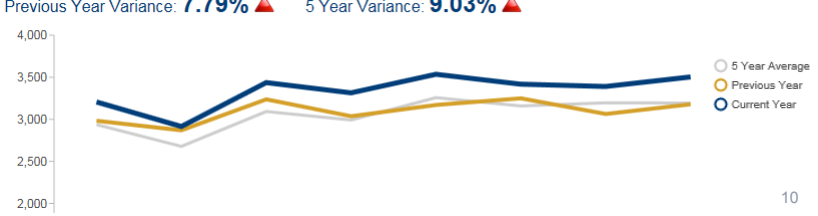
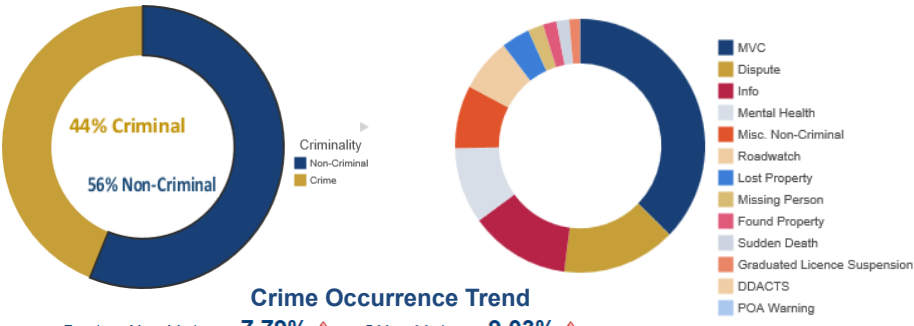
- Real Time Operations Centre
- Sector Model Policing
- BI Active Operating Picture (AOP) & Performance Dashboards
- Mental Health Support Teams & Training
- Revised Silent 911 response model
- Reduction in unintentional 911 cell calls
- Electronic Disclosure
- “New” Vulnerable Persons Registry Online Registration
- Anti-idling Technology in Vehicles



9



2017 YTD Workload



10



2018 Additional Staff

14 Sworn Officers and 8 Civilians

Sworn Officers	14
Investigative Services	4
Organized Crime & Intelligence Services	4
District Operations	6
Civilian Support Staff	8
Operational Command	8



Lowest request for Sworn Officers in 15 years

11



2018 Incremental Expenditures

- Connected Officer and software maintenance \$650k
- Air Support Expenditures \$350k
- Minimum wage impacts \$100k
- Cell Phone Air/Data usage \$56k
- Motorola restoration services net of recoveries \$56k
- Preventative Fleet maintenance \$50k
- No change to Capital Asset Replacement Reserves

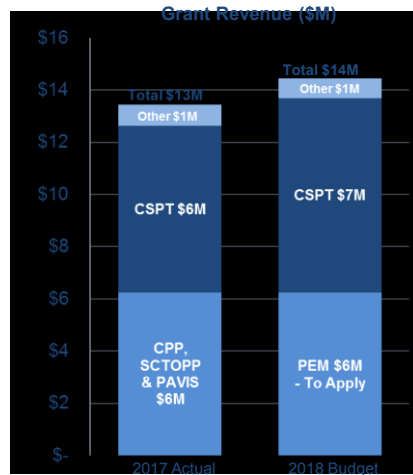


12



Provincial Funding Update

- PAVIS: \$379K received in 2017, included in 2018 budget
- CSPT increased by \$1M, funding based on 2015 YRP's share of total CSPT costs across the province
- Legacy grants CPP, SCTOPP and PAVIS will be replaced by Police Effectiveness and Modernization (PEM) grant in 2018
- Federal funding announcements related to cannabis legalization up to \$0.3M



13



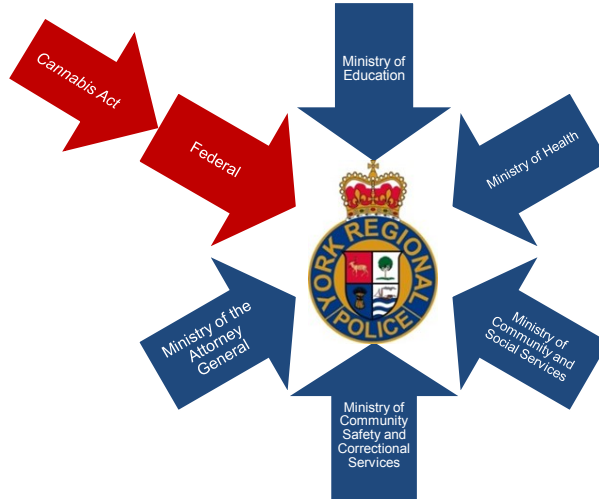
Funding for Enforcement of the *Cannabis Act*

- Ontario Association of Chiefs of Police resolution called on to the federal and provincial governments for new funding for the enforcement of the *Cannabis Act*
- Major cost drivers include:
 - Increased demand for service for mental health, motor vehicle collisions, break and enters, thefts, robberies and injured persons
 - Training officers to perform standardized field sobriety testing
 - Training for drug recognition experts
 - Purchase and maintenance of testing devices to prove on offence
- Estimated cost at \$6.5 million or 2 percent of Operating Budget.

14



Service Delivery & Funding Challenges



15



2018 Operating Budget Outlook

Included	Budget Risks
<ul style="list-style-type: none"> • 22 staff hires • Annualization of 2017 hires • Backfill for PTSD, Retirement Leave and Paid Secondments • Motorola Restoration Services • Air Support Expenditures • Electronic notebook software 	<ul style="list-style-type: none"> • Cannabis legalization and regulations • Risk to grant revenues • Changes to the Police Service Act • Risk of additional long-term vacancies and retirements • Reserve contributions • Body worn cameras

16



2015 - 2018 Operating Budget Overview

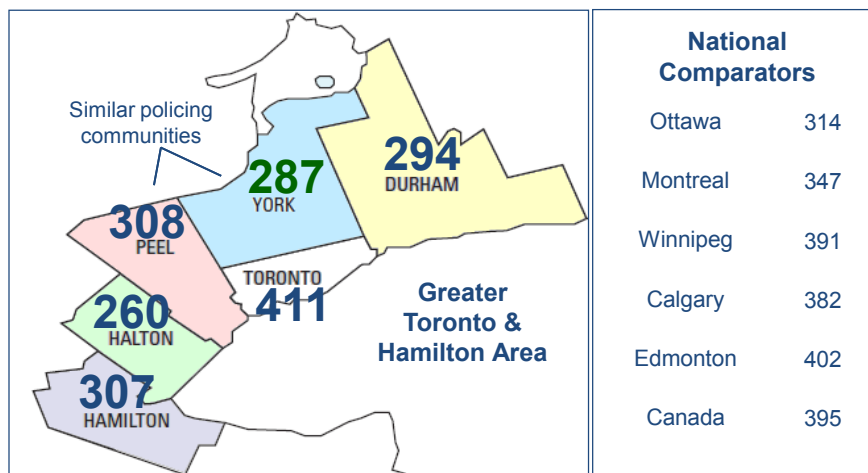
Below 3% After Assessment 2015-2018

In \$000s	2015 Approved	2016 Approved	2017 Approved	2018 Budget
Gross Expenditures	\$315,724	\$330,874	\$342,538	\$357,616
Less: Non-Tax Revenue	\$28,767	(\$33,375)	(\$31,748)	(\$34,105)
Net Expenditures	\$286,957	\$297,499	\$310,791	\$323,511
Police Increase (%)	3.2%	3.7%	4.5%	4.1%
Less: Assessment Growth (%)	(1.8%)	(1.8%)	(1.8%)	(1.6%)
Police Tax Levy Increase (%)	1.4%	1.9%	2.7%	2.5%

17



2016 Cost Per Capita Ratios

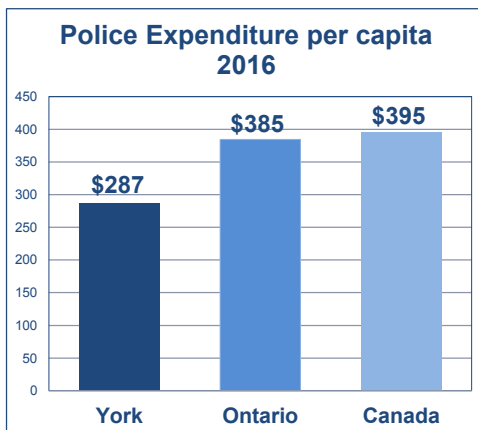


18



Police Resources in Canada 2016

- YRP's 140 Police per 100,000 remains the lowest (among jurisdictions greater than 1 million)
- YRP's staffing mix higher within Constable ranks, civilian management/professionals offset by fewer Uniform managers and below average civilianization.
- YRP's age mix older than national averages.
- Cost per capita lower than Ontario and Canada



YRP expenditure per capita is 27% lower than the national average

Canada Data Source: *Police Resources in Canada, 2016*, Statistics Canada

19



Revised 2018 Capital Budget

- 2018 request of \$22,642,000
- Including \$2,720,000 of re-budgeted funds
- 2018 Capital Spend Authority (CSA) of \$46,892,000
- A 10-year forecast of \$165,527,000 through 2027



20



10-Year Capital Budget

In \$000s	2018	2019	2020	2021	2022-2027	10-Year Total
2017 Re-budgeted	\$2,720	n/a	n/a	n/a	n/a	\$2,720
2018 New Money	\$19,922	\$30,718	\$25,739	\$14,482	\$71,946	\$162,807
2018 Proposed Budget	\$22,642	\$30,718	\$25,739	\$14,482	\$71,946	\$165,527
Budget Envelope	\$22,261	\$30,944	\$18,214	\$11,533	\$77,533	\$160,485
Over / (under)	\$381	(\$226)	\$7,525	\$2,949	(\$5,587)	\$5,042

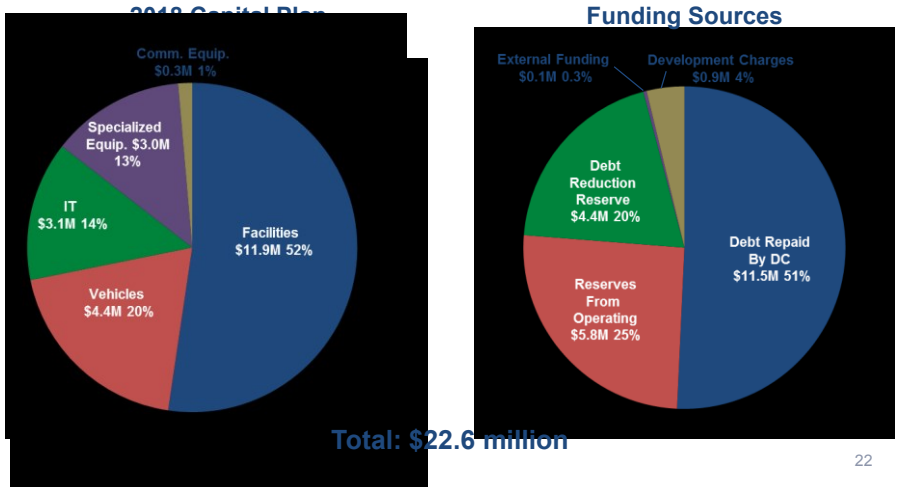
- \$2.7M of 2017 Re-budgeted funding: Marine Headquarters, #1 District Multifunction Facility, King Sub-Station, #4 District Renovations, CSV Expansion and Renovations, and Technical Investigations
- Capital Spend Authority (CSA) into Outlook years: #1 District Multifunction Facility

21



2018 Capital Plan Overview

Represents 3% of the York Region Capital Plan



22



Facility Projects \$11,850,000

Marine Headquarters \$5,450,000

- Construction on a \$8.1M project

Renovation Projects \$3,600,000

- #4 District Renovations \$1.85M
- CSV Expansion & renovations \$1.5M
- #5 District Building automation \$0.25M

#1 District Multi-Function \$1,500,000

- Land and Architect fees on a \$25.75M project

King Sub-Station \$1,300,000

- Construction and furniture & fixture fees



23



Annual Projects \$8,308,000

Vehicles \$4,414,000

- 79 replacement vehicles
- Changeover 20 vehicles with anti-idling technology & 36 vehicles with kit change
- AIR 2 Parts & repairs \$289,000

Information Technology \$2,941,000

- Information Hardware \$920,000
- Information Infrastructure \$878,000
- Connected Officer & In Car Modernization \$1,143,000

Specialized Equipment \$953,000

- Furniture \$370,000
- Use of force equipment \$197,000
- Uniform clothing & equipment \$386,000



24



Other Projects \$2,484,000

Technical Investigations \$1,100,000

- Equipment replacement

Radio System \$310,000

- Queensway Radio site maintenance
- Motorola infrastructure betterment

Business Intelligence \$160,000

- Enhanced Active Operating Picture (AOP) functionality & data quality

Other Specialized Equipment \$914,000

- Support Services \$182,000
- Closed circuit & PAC upgrades \$590,000
- Forensic Equipment \$142,000



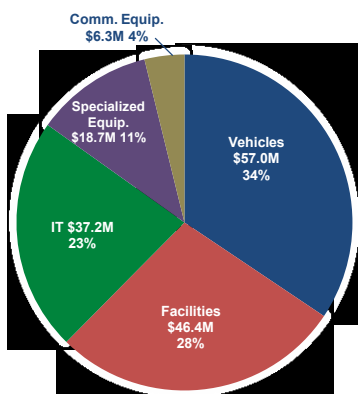
25



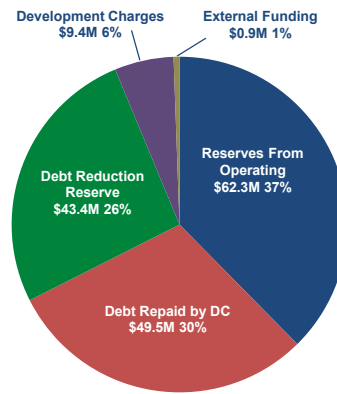
10-Year Capital Plan Overview

Represents 2.7% of the York Region Ten Year Capital Plan

2018-2027 Capital Outlook



Funding Sources



Total: \$165.5 million

26



2018 to 2027 10-Year Capital Plan

Facilities	Information Technology	Vehicles	Specialized Equipment	Communication Equipment
\$46.4M	\$37.2M	\$56.9M	\$18.7M	\$6.3M
#1 District & Prospect Street Reno. \$25.7M	IT HW & SW \$11.5M	Vehicles \$45.4M	Forensic Equip. \$3.8M	Portable & Mobile Radio \$4.7M
New District & Substation Outlook \$5M	IT Infrastructure \$9.6M	Air Operations \$11.5M	Furniture \$3.7M	Radio System \$1.6M
Land Bank Acquisition \$3M	Connected Officer & In-Car Modernization \$8.4M		Body Armour \$2.9M	
#3 District Marine HQ \$5.5M	CAD-Record Mgmt. \$3.7M		CEW \$2.9M	
Renovations & Equip. \$5.9M	Business Intelligence \$1.1M		Tech. Investigations \$2.2M	
King Substation \$1.3M	Data Governance \$1M		Robotics/Sup. Serv. \$1.0M	
	Other \$1.9M		Other \$2.2M	

Total 10 Year \$165.5M

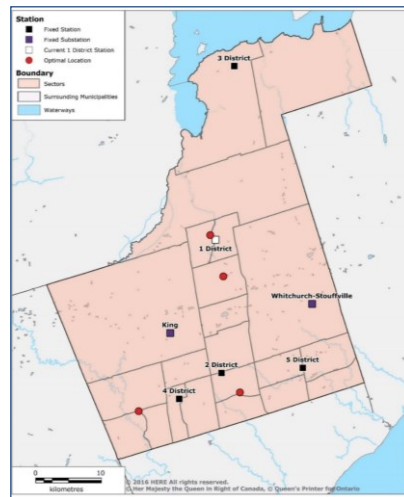
27



ORH 20-Year Facility Plan Update

Future Station Capacity:

- 1 District – 12 (from 14 cars)
- 2 District – 10 (from 18 cars)
- 3 District – 7 (from 7 cars)
- 4 District – 11 (from 21 cars)
- 5 District – 11 (from 17 cars)
- Whitchurch-Stouffville – 3 (from 3 cars)
- King – 5
- Aurora – 5
- South Richmond Hill – 16
- Vaughan West – 6



Source: ORH 20-Year Facilities Master Plan, January 25, 2017

28



Key Points

- YRP's 2018 Operating Budget is \$0.7M below Operating Envelope; the lowest request for Sworn Officers in 15 years
- YRP is the most cost efficient police service with the lowest cost per capita among Canadian jurisdictions greater than 1 million population
- Budget does not include additional funding requirements for enforcement of the *Cannabis Act*; at \$6.5M or 2 percent increase
- The transition from legacy grants to the new PEM grant poses a potential risk to \$6M worth of provincial funding in 2018 and beyond
- YRP's 10-year capital outlook of \$165.5M provides sound financial planning to guide the acquisition and replacement of infrastructure assets

29



Recommended Board Direction

1. That the Board approve the 2018 Operating Budget with a tax-levy impact of \$323,511,232, including the addition of 14 police officers and 8 civilian members; and
2. That the Board approve the proposed 2018 Capital Budget totaling \$22,642,000 with a Capital Spend Authority (CSA) of \$46,892,000; and
3. That the Board approve for financial planning purposes the 10-Year 2018-2027 Capital Forecast totaling \$165,527,000; and
4. That the Board forward the 2018 Operating Budget, the 2018 Capital Budget, and 10-Year 2018-2027 Capital Forecast for the Treasurer's tabling of The Regional Municipality of York's Budget at Regional Council on November 16, 2017.

30



Thank you Questions?

