

PUBLIC

## **Addendum Item No. 9**

THE REGIONAL MUNICIPALITY OF YORK  
POLICE SERVICES BOARD

REPORT TO THE CHIEF OF POLICE

OCTOBER 21, 2015

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### **2016 Operating Budget - Public**

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#### **RECOMMENDATIONS**

1. That the Board approve the 2016 Operating Budget with a tax-levy impact of \$297,616,000, including the addition of 17 police officers and 5 civilian members; and
2. That the Board approve for financial planning purposes an Operating Outlook to 2018 with tax-levy impacts of \$307,188,000 in 2017 and \$317,726,000 in 2018; and
3. That the Board forward the 2016 Operating Budget and Operating Outlook to 2018 for the Treasurer's tabling of The Regional Municipality of York's Budget at Regional Council on November 19, 2015.

#### **SYNOPSIS**

This report requests the Board's approval of the 2016 proposed Operating Budget of \$297,616,000, a 3.7 percent or \$10,659,200 increase over the 2015 Operating Budget. The proposal includes a reduction of (\$1,314,800) from the Budget tabled at the Board's September 23, 2015 meeting. This proposal is \$3,091,000 above the 2016 funding envelope target communicated by Treasurer Bill Hughes in his letter dated June 17, 2015.

## FINANCIAL IMPLICATIONS

The total 2016 tax-levy requirements of \$297,616,000 results in an increase of \$10,659,200 or 3.7 percent over 2015 funding. Annual salary and benefits costs for 22 additional staff in 2016 have been reduced by salary gapping. This treatment reduces first year wage costs to reflect an intake process that occurs throughout the year of hire. The second year cost to annualize the wages for the full year in 2017 is an additional \$858,500. Future wage costs to reclassify the Officers as they progress through the Uniform salary grid have been included in the Outlook to 2018 for financial planning purposes.

The Budget figures presented exclude assessment growth and Regionally allocated costs, in accordance with Budget guidelines provided annually from The Regional Municipality of York Office of the Budget staff.

## BACKGROUND

At a meeting on September 23, 2015 and September 30, 2015, the Board received a tabling of the 2016 Operating Budget including an increase of \$11,974,000 or 4.2 percent over the 2015 approved budget. With the Board's direction, Financial Services staff made reductions totaling (\$1,314,800) as follows:

- (\$855,500) reduction to Salaries & Benefits; and
- (\$459,300) reduction to Additional Staff from 33 to 22 new hires.

Based on these reductions and all known budget pressures, the 2016 Operating Budget and Outlook to 2018 is as follows:

<b>2016 Operating Budget and Outlook to 2018</b>			
<b>In 000's</b>	<b>Proposed</b>	<b>Outlook</b>	
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Base Budget	286,957	297,616	307,188
<b>Salaries and Benefits</b>			
Increases for wages & reclassification	8,172	6,953	9,056
Annualization of additional staff	1,813	859	894
Additional Staff	859	894	911
<b>Expenditures</b>			
Increase to operating expenses	1,250	1,485	406
Debt principle, interest and contribution to debt reduction	623	1,627	499
Development Charges	(805)	(1,291)	(555)
<b>Revenues, Grants and Recoveries</b>	<b>(1,252)</b>	<b>(954)</b>	<b>(673)</b>
<b>Net Operating Budget</b>	<b>297,616</b>	<b>307,188</b>	<b>317,726</b>
Incremental Budget Increase (\$)	10,659	9,572	10,538
Incremental Budget Increase (%)	3.7%	3.2%	3.4%

Using the 2016 assessment assumption of 1.96 percent or \$5,624,000, the net tax-levy impact after assessment is estimated at \$5,035,000 or 0.54 percent property tax impact for 2016.

The Outlook estimate for 2017 is above the budget envelope target communicated by Treasurer Bill Hughes in his letter dated June 17, 2015 and the Outlook estimate for 2018 is below. Each of the Outlook years includes additional staff hire assumptions of 22 members based on continuing growth in the Region.

It is therefore recommended that the Board approve the 2016 Operating Budget of \$297,616,000 and Outlook to 2018 and that the Board's recommendations be forwarded for incorporation into the Treasurer's tabling of The Regional Municipality of York's Budget at Regional Council on November 19, 2015.

Eric Jolliffe, O.O.M., BA, MA, CMM III  
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