

PUBLIC

Addendum Item No. 7.1

THE REGIONAL MUNICIPALITY OF YORK
POLICE SERVICES BOARD

REPORT TO THE CHIEF OF POLICE

OCTOBER 26, 2016

2017 Operating Budget - Public

RECOMMENDATIONS

1. That the Board approve the 2017 Operating Budget with a tax-levy impact of \$310,947,500, including the addition of 31 police officers and 12 civilian members; and
2. That the Board approve for financial planning purposes an Operating Outlook to 2018 with a tax-levy impact of \$324,081,100 in 2018; and
3. That the Board forward the 2017 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 17, 2016.

SYNOPSIS

This report requests the Board's approval of the 2017 proposed Operating Budget of \$310,947,500, a 4.5 percent or \$13,448,100 increase over the 2016 Operating Budget. The proposal includes a reduction of (\$4,282,800) from the Budget tabled at the Board's September 21, 2016 meeting. This proposal is \$908,200 above the 2017 funding envelope target communicated by Treasurer Bill Hughes in his letter dated June 14, 2016.

FINANCIAL IMPLICATIONS

The total 2017 tax-levy requirements of \$310,947,500 results in an increase of \$13,448,100 or 4.5 percent over 2016 funding. Annual salary and benefits costs for 43 additional staff in 2017 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 2018 is an additional \$1,771,100. 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 21, 2016, the Board received a tabling of the 2017 Operating Budget including an increase of \$18,699,400 or 6.3 percent over the 2016 approved budget before restatement. With the Board's direction, Financial Services staff made reductions totaling (\$4,282,800) as follows:

- (\$4,953,400) reduction to Salaries & Benefits; and
- (\$896,500) increase to Revenues, Grants and Recoveries; and
- \$598,600 increase to Non-wage expenses
- \$968,500 restatement of 2016 Base Budget

Based on these reductions and all known budget pressures, the 2017 Operating Budget and Outlook to 2018 is a follows:

2017 Operating Budget and Outlook to 2018		
In 000's	Proposed 2017	Outlook 2018
Base Budget	297,499	310,947
Salaries and Benefits		
Increases for wages & reclassification	6,834	10,339
Annualization of additional staff	858	1,771
Additional Staff	1,771	923
Expenditures		
Increase to operating expenses	1,742	1,295
Debt principle, interest and contribution to debt reduction	616	1,239
Development Charges	(247)	(998)
Revenues, Grants and Recoveries	1,874	(1,435)
Net Operating Budget	310,947	324,081
Incremental Budget Increase (\$)	13,448	13,134
Incremental Budget Increase (%)	4.5%	4.2%

The Outlook estimate for 2018 is above the budget envelope target communicated by Treasurer Bill Hughes in his letter dated June 14, 2016. 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 2017 Operating Budget of \$310,947,500 and the Outlook for 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 17, 2016.

Eric Jolliffe, O.O.M, BA, MA, CMM III
Chief of Police

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Accessible formats or communication supports are available upon request