



2019 Operating and Capital Budget Overview

November 7, 2018

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Agenda

Operating Budget



Capital Budget



Recommendations





2019 Office of Budget Correspondence

2019 Budget Year

- Year one of the four-year multi-year budget process
- Three Operating scenarios of 2.5%, 3.0%, and 3.5%

September 26 Board Tabling

- 3.5% Operating Scenario: (\$0.8M) under envelope
- 10-Year Capital Plan \$172.2M

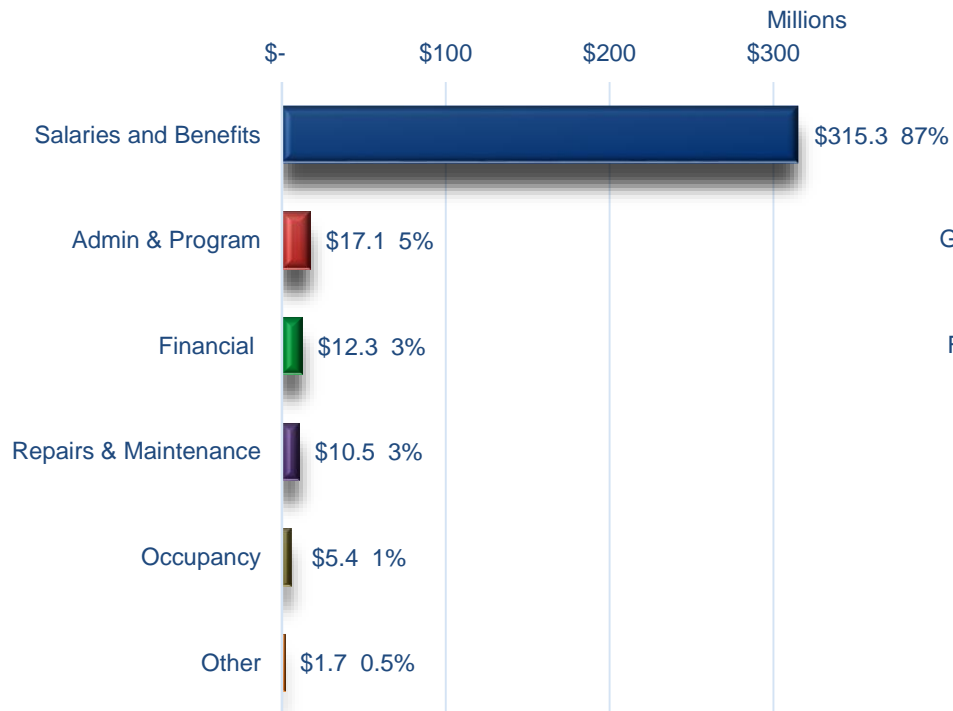
October Office of the Budget Direction

- 3.0% Operating Scenario: \$1.7M above envelope
- Realigned Growth Capital Scenario: \$6.5M reduction to 20-year Capital Plan

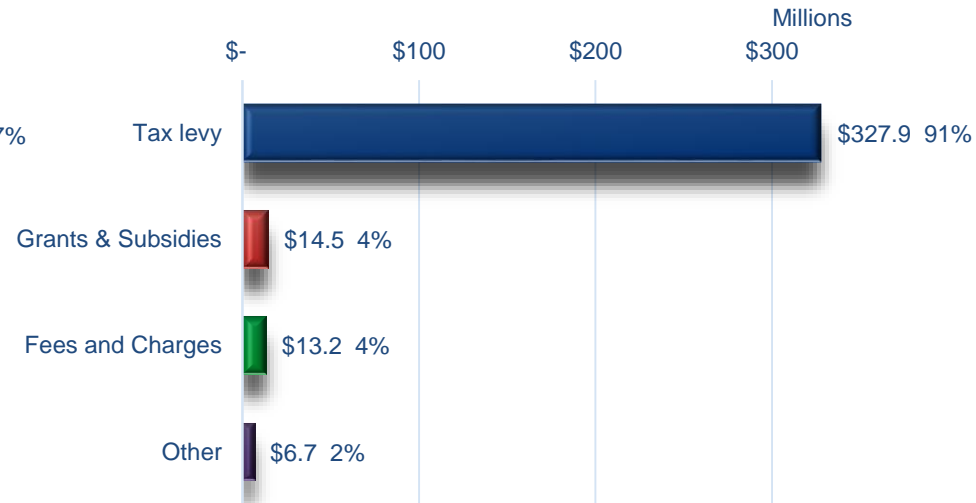


2019 Operating Budget Outlook

EXPENDITURE TYPE



FUNDING TYPE



**Gross Expenditures/ Operating Budget*

Total: \$362.3M



2019 Operating Summary

	Incremental Costs
Wage Assumptions	\$7.4M
Additional Staff	\$2.2M
Expenditures	\$1.8M
Debt, Principle & Interest	\$0.4M
Revenues	(\$0.2M)
Total	\$11.6M



Staffing Drivers

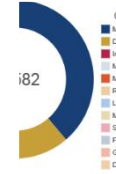
Changes in Service Delivery to Improve Efficiency & Effectiveness



Workload Analysis



Legislative Reform



Modernization Initiatives



Business Plan Goals



Economic Conditions



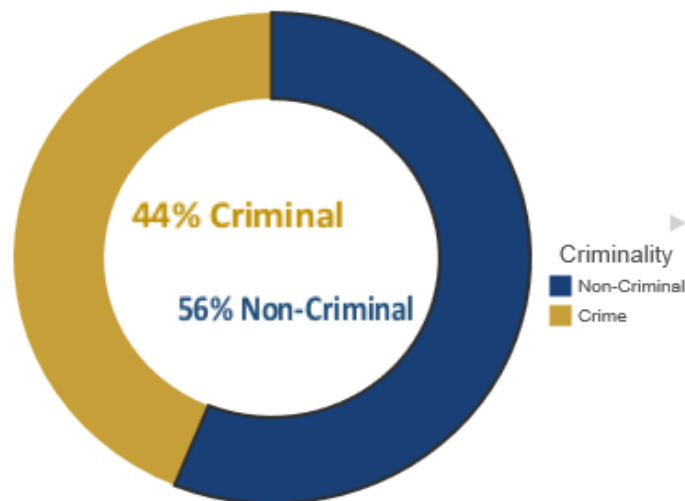
Demographic and Social Trends



Effectiveness Initiatives



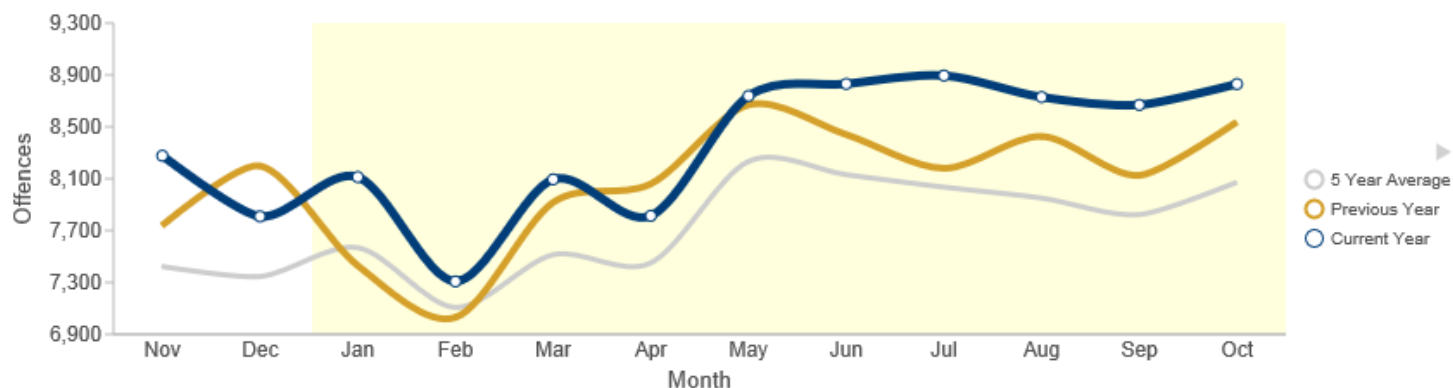
2018 YTD Total Workload



Total Occurrence Trend

Previous Year Variance: **3.28%** ▲ 5 Year Variance: **7.32%** ▲

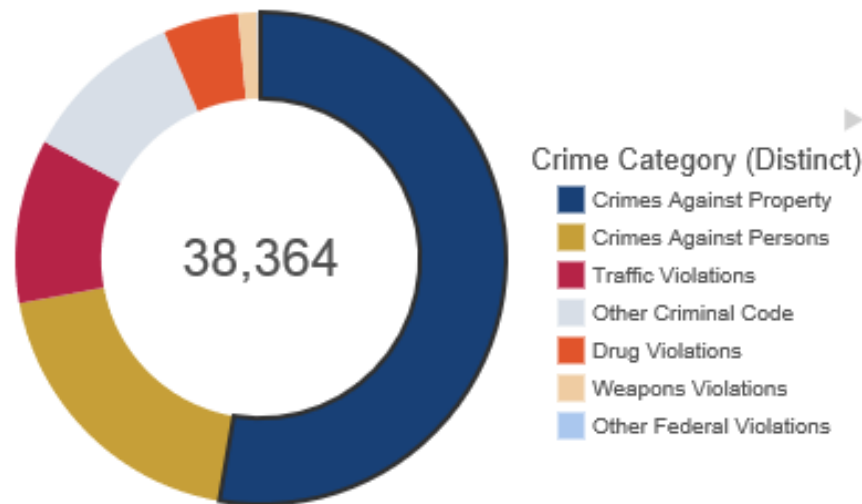
Variances respect the selected date range (2018/01/01 to 2018/11/05)



Trend line will always show the last 12 full months

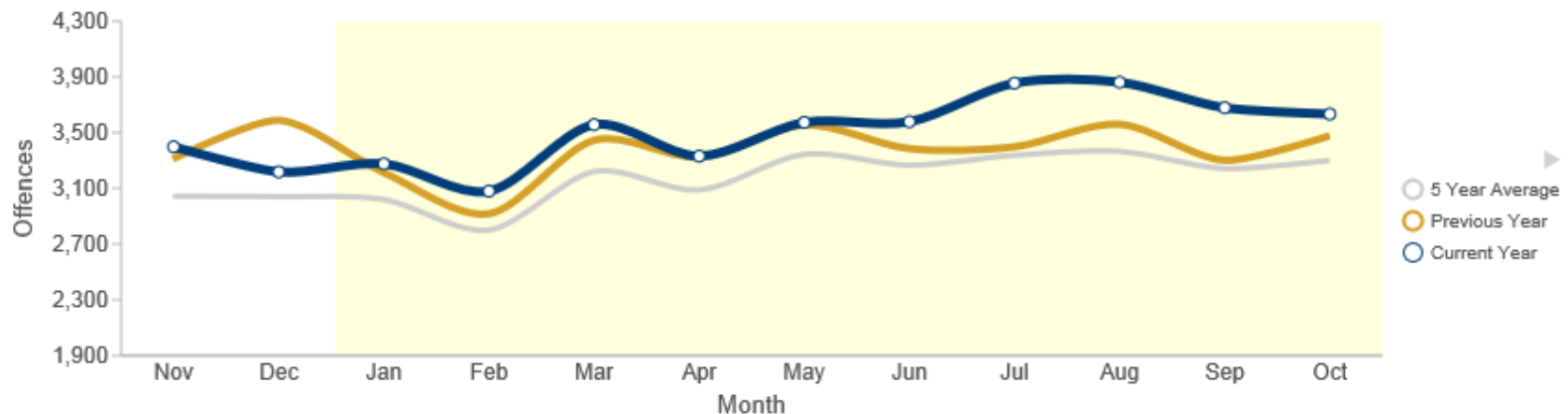


2018 YTD Criminal Workload



Previous Year Variance: **4.94%** ▲ 5 Year Variance: **10.23%** ▲

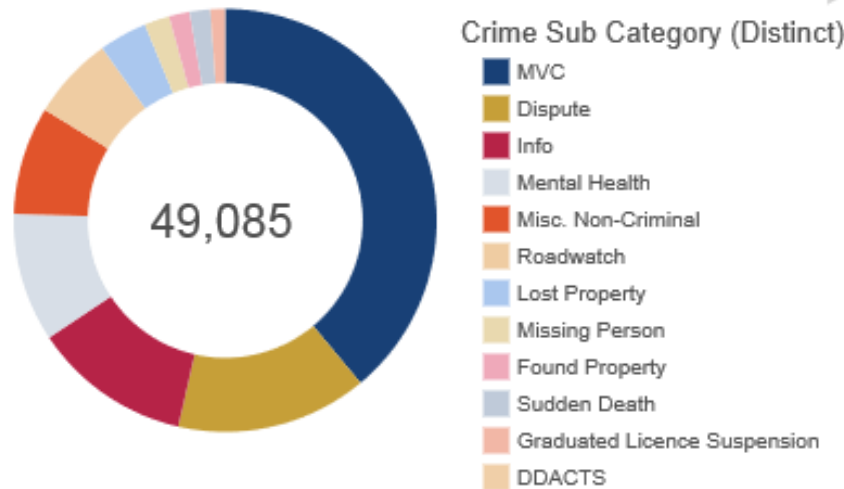
Variances respect the selected date range (2018/01/01 to 2018/11/05)



Trend line will always show the last 12 full months

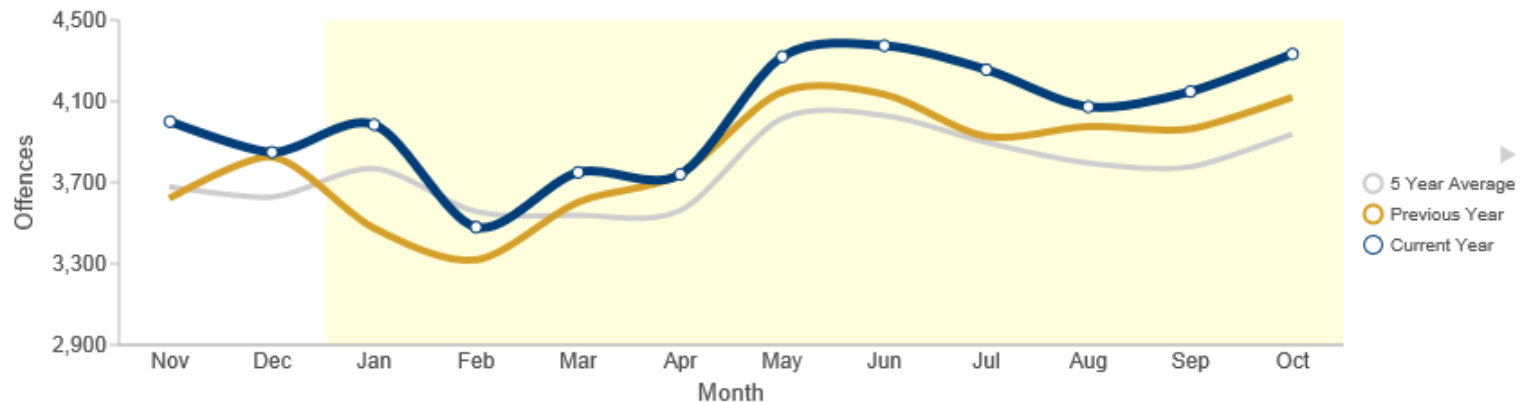


2018 YTD Non-Criminal Workload



Previous Year Variance: **4.72%** ▲ 5 Year Variance: **6.32%** ▲

Variances respect the selected date range (2018/01/01 to 2018/11/05)



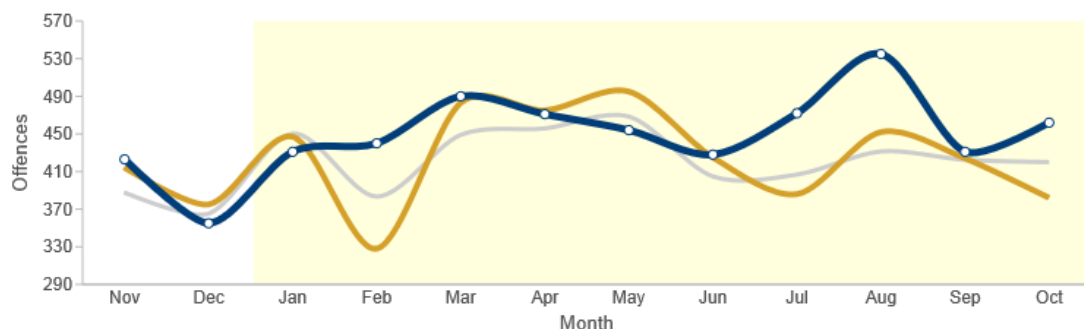
Trend line will always show the last 12 full months



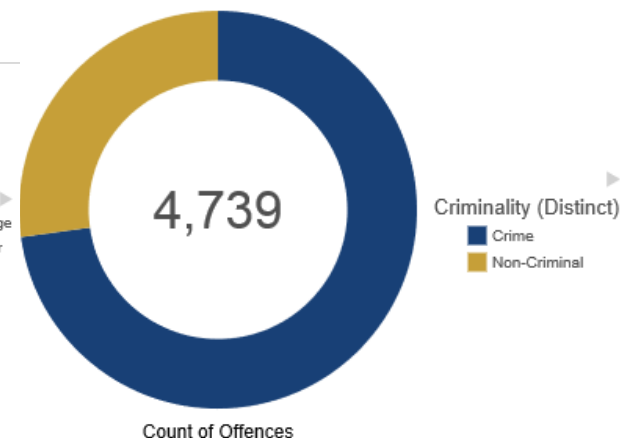
2018 YTD Cannabis Workload

Previous Year Variance: **6.86%** ▲ 5 Year Variance: **6.95%** ▲

Variances respect the selected date range (2018/01/01 to 2018/11/05)



Trend line will always show the last 12 full months



30% of 914,000 York Region adults ages 18 years and over have used cannabis at least once in their lifetime

22% of 58,300 York Region students ages 14-17 years reported using cannabis in the past year

One-third of York Region students in grades 11 and 12 have smoked cannabis in the last year

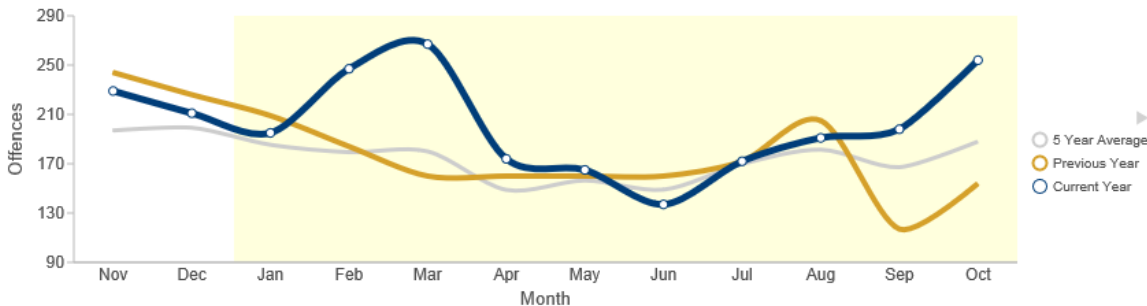
Source: Cannabis: Public Health Challenges, Dr. Karim Kurji



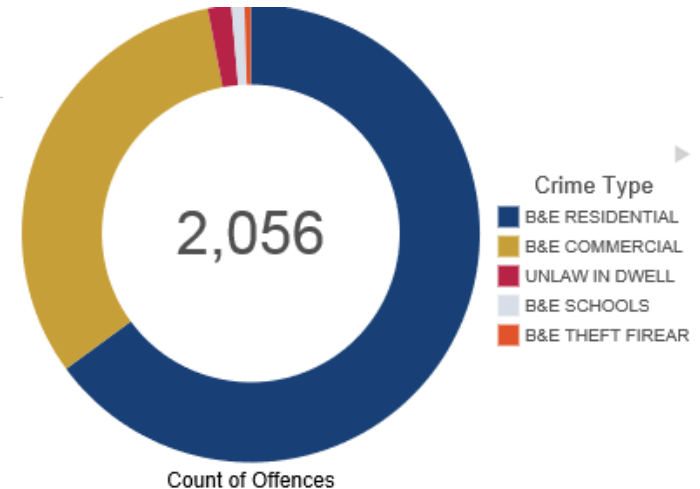
2018 YTD Break and Enter Workload

Previous Year Variance: **17.48%** ▲ 5 Year Variance: **16.40%** ▲

Variances respect the selected date range (2018/01/01 to 2018/11/05)



Trend line will always show the last 12 full months



80 charges laid after string of break-ins throughout York Region



Police arrest six men after break-and-enters in Markham



19-year-old charged with 15 counts of break and enter: York Regional Police



Teen charged with multiple break-and-enters near Newmarket, Ont.



Investigators with the York Regional Police Break and Enter Task Force have laid charges against eight men in connection with multiple residential break and enters.



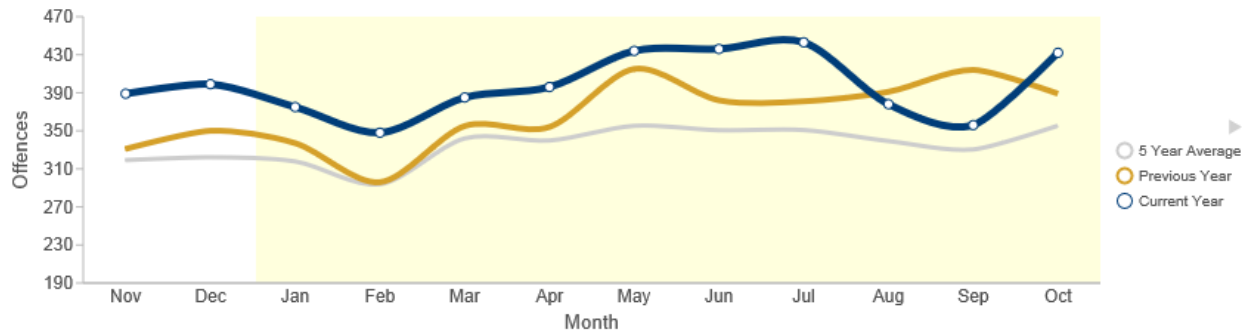
York Police arrest 4 in string of break-and-enters

Four men charged with breaking into 38 homes across the GTA since January

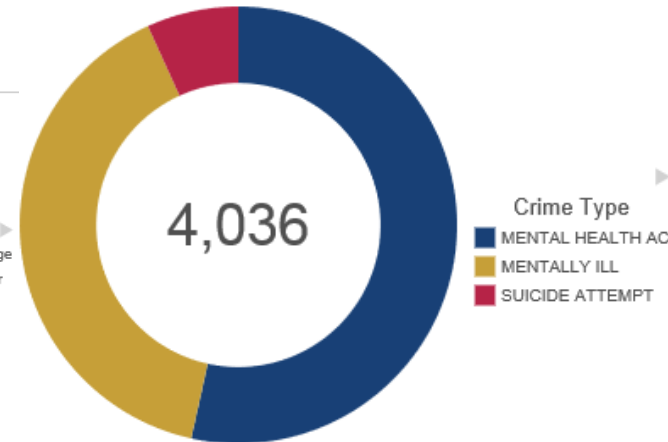


2018 YTD Mental Health Workload

Previous Year Variance: **7.11%** ▲ 5 Year Variance: **17.63%** ▲
Variances respect the selected date range (2018/01/01 to 2018/11/05)



Trend line will always show the last 12 full months



1 in 5 Canadians are affected by a **mental illness**

Almost **70%** of mental health disorders show up **before the age of 18**

Suicide is among the **leading causes of death** in 15-24 year old Canadians, second only to accidents

Police are the **first point of contact** in serious mental health calls

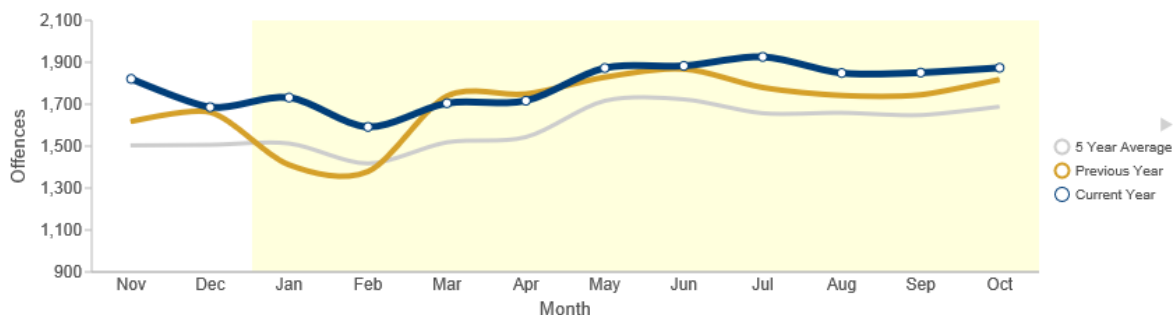


2018 YTD 1 District Workload

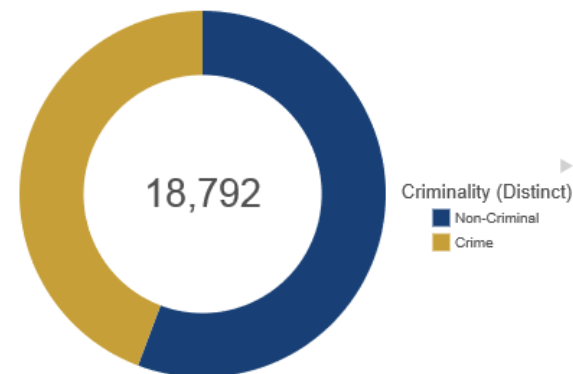
2018 Total Workload:

Previous Year Variance: **4.69%** ▲ 5 Year Variance: **11.22%** ▲

Variances respect the selected date range (2018/01/01 to 2018/11/05)



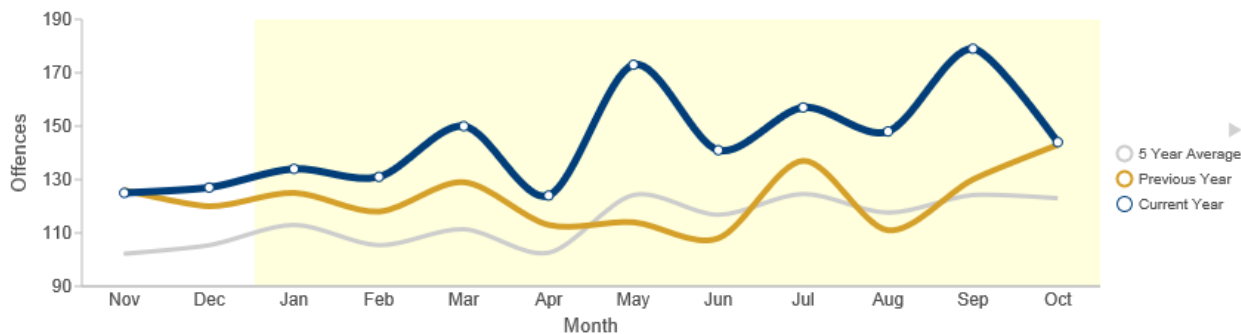
Trend line will always show the last 12 full months



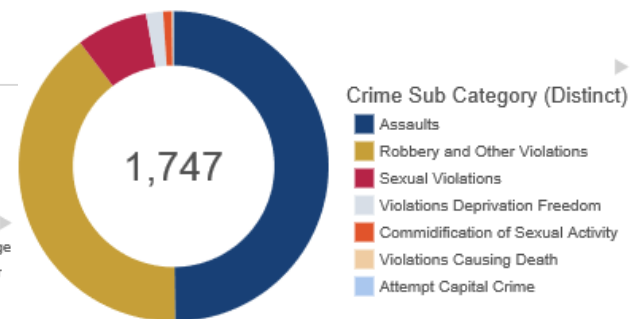
2018 Persons Crimes:

Previous Year Variance: **21.11%** ▲ 5 Year Variance: **27.03%** ▲

Variances respect the selected date range (2018/01/01 to 2018/11/05)



Trend line will always show the last 12 full months



Count of Offences



2019 Additional Staff

45 Sworn Officers and 8 Civilians

Sworn Officers	45
Legislative Reform	24
Workload & Growth	21
Civilian Support Staff	8
Legislative Reform	5
Workload & Growth	3



Cannabis Act and Legislative reform driving additional staff requests



Staffing Mix

Branch	Operations	Investigation & Support	Administration	Total
Existing	1,211	718	338	2,267
<i>Additional Staff</i>				
Legislative Reform	11	8	10	29
Workload & Growth	14	6	4	24
Total Additional Staff:	25	14	14	53
Total FTE	1,236	732	352	2,320
Percentage of Total	53%	32%	15%	100%

- 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.



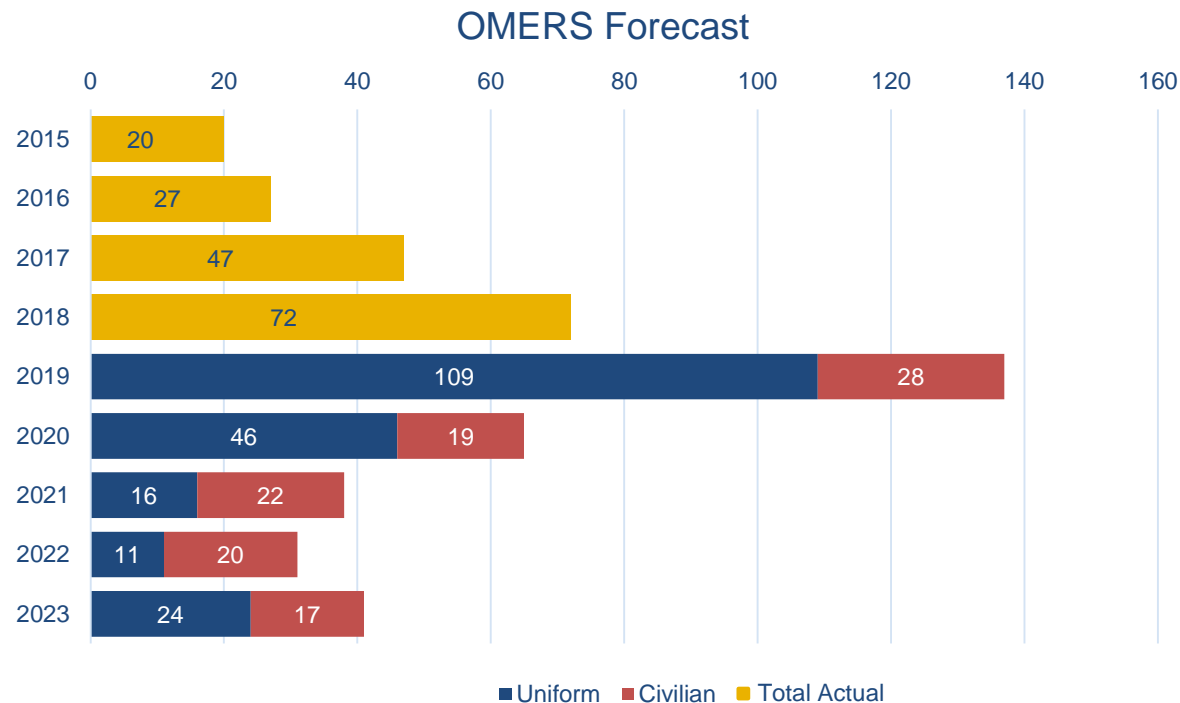
Wage Assumptions

	Incremental Costs
Working Agreements @ 2%	\$4.5M
CPP & Other Benefits	\$3.5M
Annualize 2018 Hires	\$1.2M
Reclassifications	\$1.2M
Overtime	\$0.5M
Part-Time	(\$2.1M)
Other	(\$1.1M)
Sick Bank Payout	(\$0.3M)
Total	\$7.4M

Opportunity cost of additional statutory holiday \$1.2M in 2019



In the Midst of the Retirement Wave



72 members retiring in 2018 including 2 Superintendents, 3 Inspectors, 9 D/Sgts. and S/Sgts, and 22 Detectives and Sergeants

Additional **137 members** still eligible to retire in 2019

175 members eligible to retire for the period of 2020-2023

Hiring: 137 officers in 2018 for additional staff, retirements and resignations



Retirements, Attrition & Intake Timelines

18+ Months to Replace an Officer



**Retirement
Notice Period**

2 weeks to 2
Years

**Retirement
Leave**

3 Months

**New
Intake**

3 Months

**Recruit
Training**

6 Months

**4th Class
with
Coach
Officer**

6 Months

**Front-Line
Constable**



← September 2018 March 2020 →

Over 18 Months Expect: Regional Growth, Increased Complexity to Calls for Service, Transit Expansion, Cybercrime Expansion, Radicalization, Cannabis Legislation, Changes in Oversight



Financial Implications of the Cannabis Act

Known and Mandatory

 Standardized Field Sobriety Testing

 Drug Recognition Expert Training

 Bill C-45 & C-46 Training

 Coordinator for Impaired Driving Training

 Roadside Screening Equipment & Supplies

Anticipated and Expected

 Drug-impaired traffic stops, seizures and violations

 Motor Vehicle Collisions

 Injured Persons

 Enforcement of thefts, suicide, break and enter, complaint, robberies & mischief

 Criminal investigations

 RIDE spot-checks

 Information Technology

 Information Management

 DRE premium

Best Practices

 Front-line sector model of policing

 Illicit-market disruption team

 Road safety enforcement

 Patrol supervision

 Fleet & equipment

 Analytic support

 Business intelligence dashboard

 Youth education & prevention in schools

 Blood draw processing

 Completed

 Supported by 2019 Budget

 To be Started



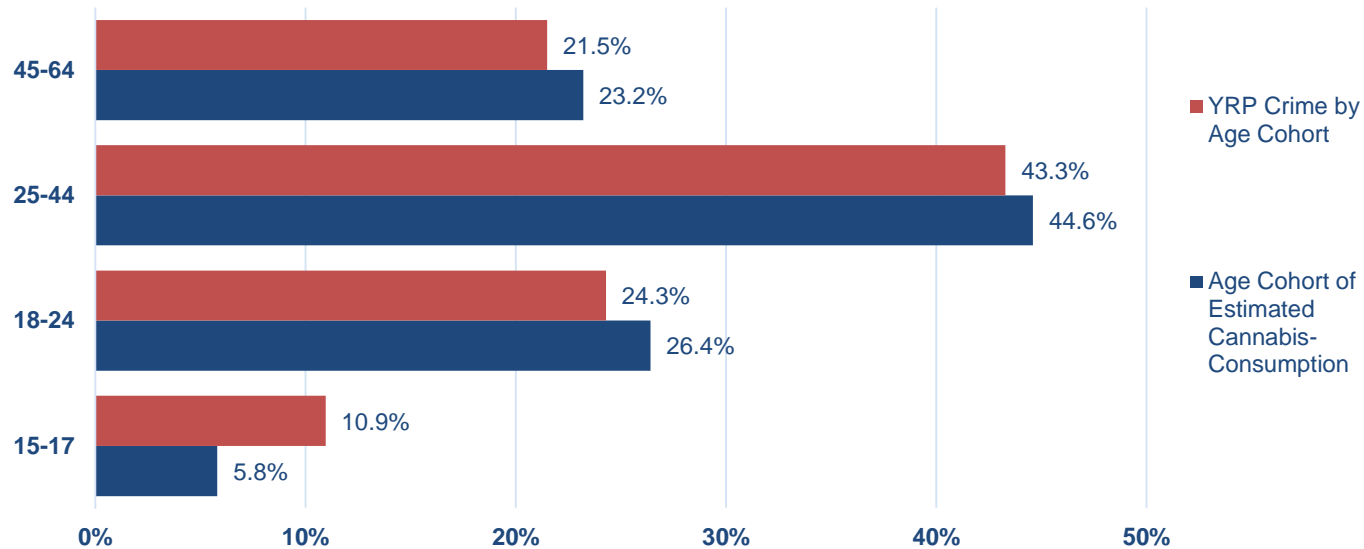
Cannabis Act Financial Outlook

In \$'000s	2018	2019	2020	2021
Incremental Costs	\$88	\$2,654	\$2,673	\$1,725
Use of Existing Resources	\$1,433	\$3,890	\$4,063	\$6,692
Less: Revenues Received	(\$62)	(\$715)	(\$729)	(\$743)
Net Tax-Levy Impact	\$1,459	\$5,829	\$6,007	\$7,674
Gross Cost Per Capita (in \$)	\$ 1.24	\$ 5.23	\$ 5.30	\$ 6.51

- Washington State estimated Excise Tax revenue US\$460M at four years post-legislation.
- Canadian equivalent \$3 billion or three times official government estimates
- In addition, Federal and Provincial governments to receive Harmonized Sales Tax revenues.
- In addition, the Government of Ontario to receive revenue as sole distributor



Crime-Prone Age Cohort



One in four Canadians **aged 25 to 34** report some use in the past three months

One in three cannabis users obtain supply from **family or friends**

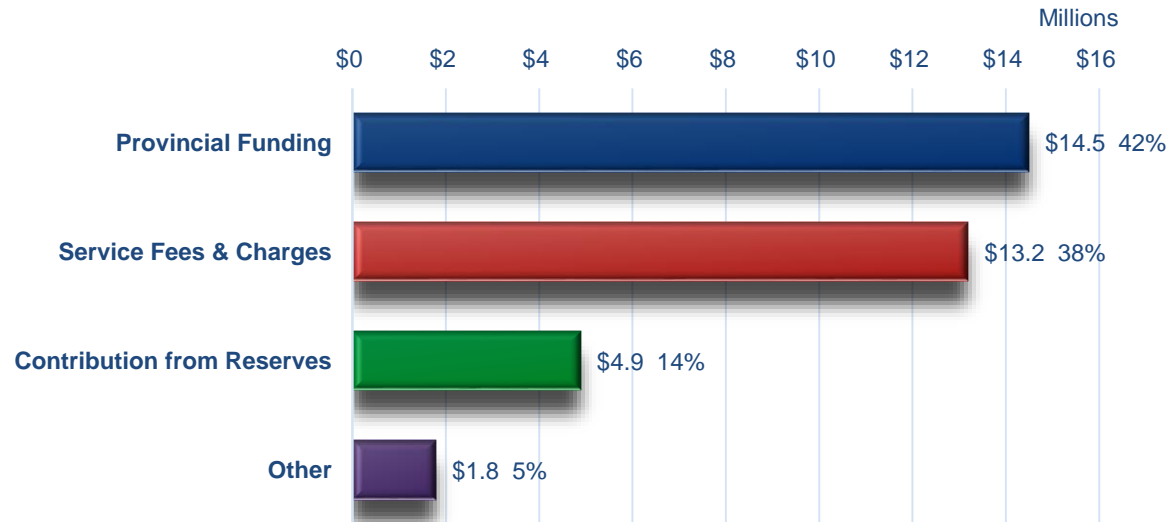
Drivers who use cannabis often are **more likely to drive** within **two hours** of using cannabis

One-third of users **spent over \$100** on cannabis in the past three months

Source: Statistics Canada, The Daily, National Cannabis Survey, first quarter 2018



Pressures & Risks - Revenues and Recoveries



\$13.7M risk to legacy grants in 2019

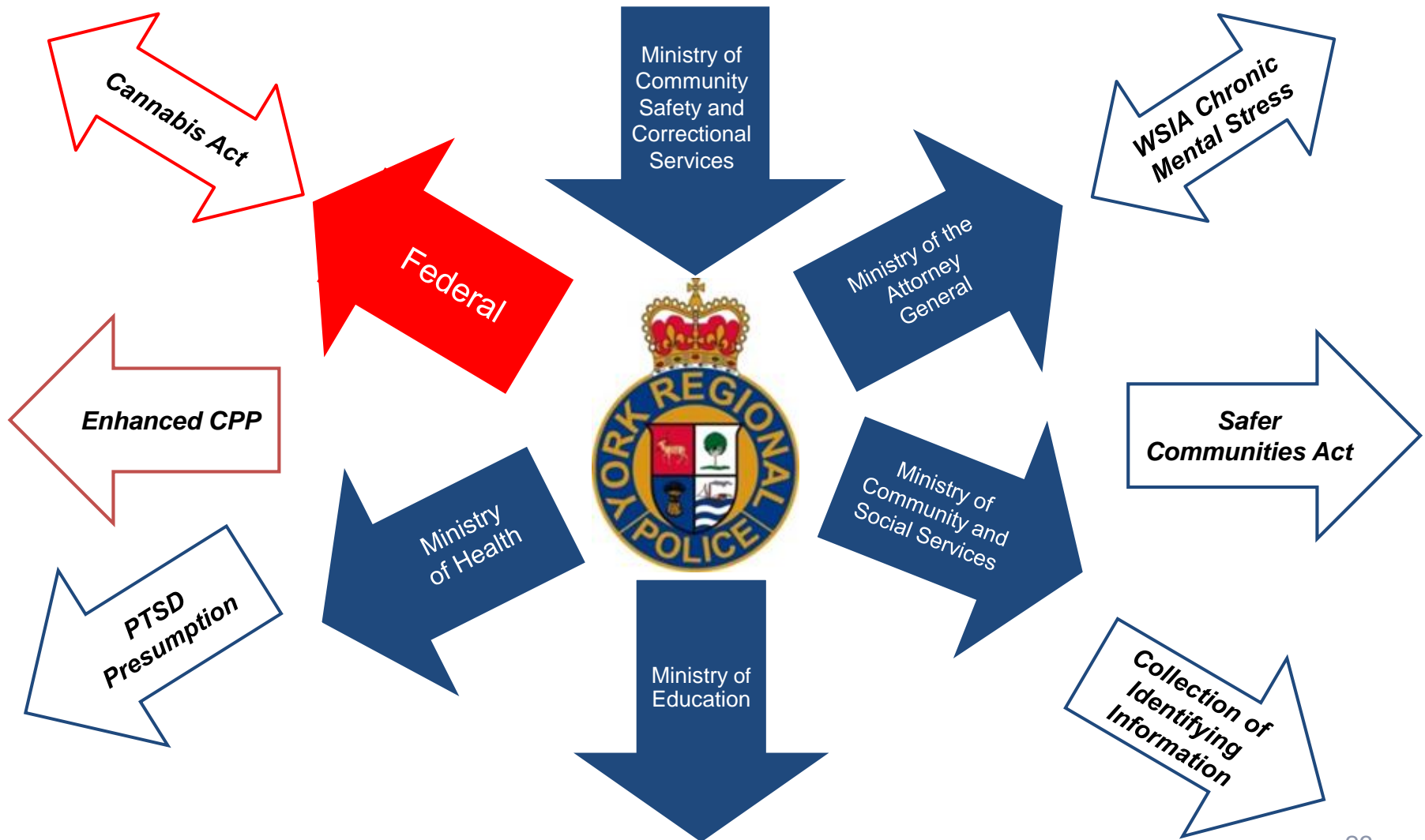
No signed agreements past March 2019

***Cannabis Act* funding**

Federal funding announcements related to cannabis legalization,
no word on province or YRP share.



Service Delivery & Funding Challenges





Provincial and Federal Delivery & Funding

91% of Policing Provincial & Federal Statutes Borne by Local Taxpayer

In \$'000s	Preliminary Service Delivery Costs	Funding	Tax Levy	Tax Levy Percent
Provincial	\$101,143	(\$14,450)	\$86,693	86%
Federal	\$51,744	\$0	\$51,744	100%
Total	\$152,887	(\$14,450)	\$138,437	91%

Service delivery cost includes:

- \$4.5M to support Mental Health related calls
- \$4.4M to support Ministry of Education through Community Safety Village, School Resources, and Youth Education programs
- \$2.8M for mandated Provincial and Federal legislated training



2019 - 2022 Operating Budget Overview

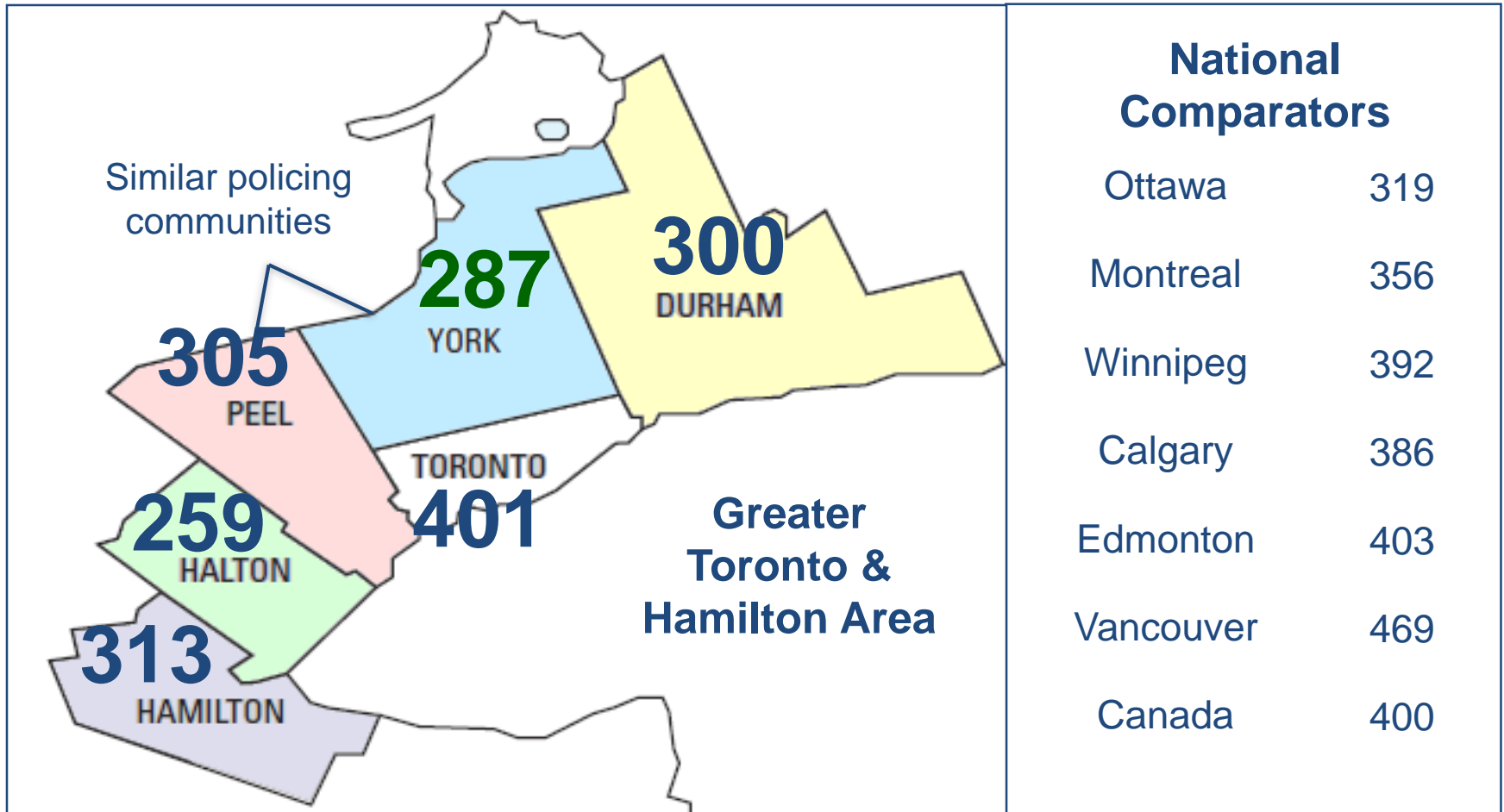
2.79% After Assessment 2019-2022

In \$ 000's	2019 Budget	2020 Outlook	2021 Outlook	2022 Outlook
Gross Expenditures	\$362,294	\$380,877	\$396,216	\$412,152
Less: Non-Tax Revenue	(\$34,353)	(\$36,550)	(\$38,185)	(\$39,034)
Net Expenditures	\$327,941	\$344,327	\$358,031	\$373,118
Increase (%)	3.65%	5.00%	3.98%	4.38%
Less: Assessment Growth (%)	(1.62%)	(1.50%)	(1.39%)	(1.34%)
Police Tax Levy Increase (%)	2.03%	3.50%	2.59%	3.04%

2019-2021 average *Cannabis Act* gross cost per capita \$5.68



2017 Gross Cost Per Capita Ratios





Capital Budget Overview

2019 request of **\$33,517,000**

Re-budgeted funds of **\$9,316,000**

2019 Capital Spend Authority
(CSA) of **\$62,480,000**

A 10-year forecast of
\$173,187,000





Realigned Growth Capital Reductions

In \$M	Original Budget	Reductions	Budget after Reductions
2020 New District and Substation Outlook-Vaughan West	\$5.0	(\$2.0)	\$3.0
2033 Land Bank Acquisition- Aurora Substation	\$3.0	(\$2.0)	\$1.0
2034 New District and Substation Outlook-Aurora Substation	\$5.0	(\$2.5)	\$2.5
Total Project Reduction		(\$6.5)	
Development Charge portion 90%		(\$5.9)	



10-Year Capital Budget

In 000's	2019	2020	2021	2022	2023- 2028	10-Year Total
2018 Re-budgeted	\$9,316	n/a	n/a	n/a	n/a	\$9,316
2019 Request	\$24,201	\$32,638	\$17,939	\$18,117	\$70,976	\$163,871
2019 Proposed Budget	\$33,517	\$32,638	\$17,939	\$18,117	\$70,976	\$173,187
Budget Envelope	\$30,718	\$25,739	\$14,482	\$16,422	\$65,957	\$153,318
Over / (under)	\$2,799	\$6,899	\$3,457	\$1,695	\$5,019	\$19,869

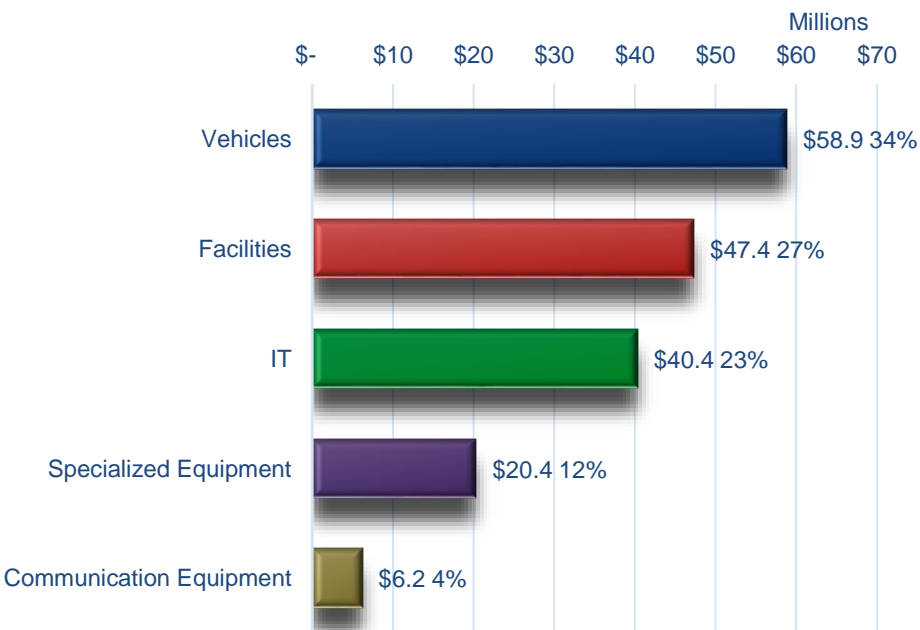
- \$9.3M of 2018 Re-budgeted funding: Marine Headquarters; #1 District Multifunction Facility, King Sub-station, #4 District Renovations, CSV Expansion & Renovations, Connected Officer/In-Car Modernization, Technical Investigation, Closed-Circuit/Witness Rooms, Forensic Equipment, and Radio System
- Capital Spend Authority (CSA) into Outlook years: #1 District Multifunction Facility, Helicopter replacement, Connected Officer/In-Car Modernization, Forensic Equipment and Road safety equipment
- Budget Envelope includes \$1.9M reduction for Realigned Growth Capital Scenario in 10-year outlook



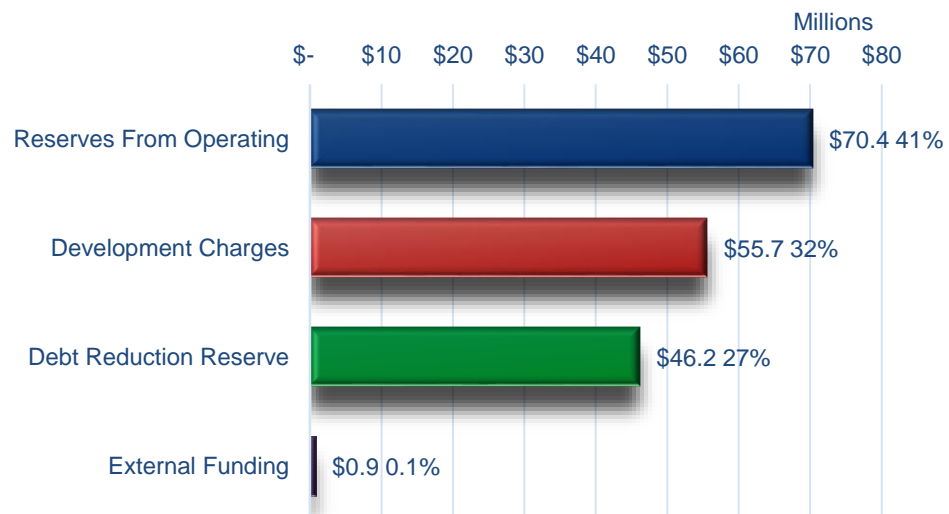
10-Year Capital Plan Overview

Represents 2.9% of the York Region Ten-Year Capital Plan

2019-2028 Capital Outlook



Funding Sources



Total: \$173 million



2019 to 2028 10-Year Capital Plan

Facilities \$47.4M	Information Technology \$40.4M	Vehicles \$58.9M	Specialized Equipment \$20.4M	Communication Equipment \$6.2M
<ul style="list-style-type: none">• #1 District Multi Function \$25.7M• Renovations \$10.9M• New District & Substation Outlook \$3.0M• #3 District Marine HQ \$4.7M• Land Bank Acquisition \$3.0M• King Substation \$0.1M	<ul style="list-style-type: none">• IT HW & SW \$12.2M• IT Infrastructure \$9.7M• Connected Officer & In-car Modernization \$8.4M• CAD-Record Management \$3.7M• Business Intelligence \$1.9M• Data Governance \$1M• Other \$3.5M	<ul style="list-style-type: none">• Vehicles \$45.9M• Air Operations \$12.7M• Marine Patrol Boat \$0.3M	<ul style="list-style-type: none">• Body Armour \$4.2M• Forensic Equipment \$4M• Furniture \$3.7M• CEW \$3.3M• Technical Investigations \$2.8M• Robotics/ Support Services \$0.9M• Other \$1.5M	<ul style="list-style-type: none">• Portable & Mobile Radio \$4.7M• Radio System \$1.5M

Total 10 Year \$173M



Efficiency and Effectiveness Indicators

National Rankings*	1 st Lowest	2 nd	3 rd	4 th	5 th
Crimes Against Persons	Peel	York	Ottawa	Calgary	Montreal
Crimes Against Property	York	Peel	Ottawa	Toronto	Montreal
Total Criminal Code	York	Peel	Ottawa	Toronto	Montreal
Crime Severity Index – Total	York	Peel	Ottawa	Toronto	Montreal
Cost per Capita	York	Peel	Ottawa	Montreal	Toronto

Note: National ranking among the nine largest Police Jurisdictions in Canada, and those are York, Peel, Toronto, Ottawa, Montreal, Winnipeg, Calgary, Edmonton and Vancouver.



Key Points

2019 Operating Budget (**\$0.8M**) under 3.5% envelope,
\$1.7M over 3.0% envelope

53 additional staff for *Cannabis Act*, other Legislative
Reform, workload and growth

Cost efficient with the ***lowest cost per capita*** serving over
one million population

\$13.7 million at-risk due to provincial funding

10-year capital outlook of \$173.2M provides sound
financial planning in accordance with asset management planning



Recommended Board Direction

1. That the Board approve the 2019 Operating Budget with a tax-levy impact of \$327,941,000, including the addition of 45 police officers and 8 civilian members; and
2. That the Board approve for financial planning purposes operating outlook to 2022; \$344,326,900 in 2020, \$358,031,300 in 2021 and \$373,117,900 in 2022; and
3. That the Board approve the proposed 2019 Capital Budget totaling \$33,517,000 with a Capital Spend Authority (CSA) of \$62,480,000; and
4. That the Board approve for financial planning purposes the 10-Year 2019-2028 Capital Forecast totaling \$173,187,000; and
5. That the Board forward the 2019 Operating Budget, the 2019 Capital Budget, and 10-Year 2019-2028 Capital Forecast for the Treasurer's tabling of The Regional Municipality of York's Budget at Regional Council on January 31, 2019.



Thank you

Questions?

