



REGIONAL MUNICIPALITY OF NIAGARA
POLICE SERVICES BOARD

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January 24, 2019

Ms. Ann-Marie Norio, Regional Clerk
Regional Municipality of Niagara
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON
L2V 4T7

**Re: 2019 Proposed Operating Budget
Niagara Regional Police Service and Police Services Board**

Dear Ms. Norio:

At its Public Meeting held January 24, 2019, the Niagara Police Services Board considered Service Report 21/2019 dated January 18, 2019 providing the Board with the proposed 2019 Operating Budget for the Police Service and the Board resulting in a total net expenditure budget before indirect allocations of \$147,420,210, an increase of 6.5%.

The following motion was passed:

'That the Board approve the proposed 2019 Operating Budget for the Police Service and the Board resulting in a Total Net Expenditure Budget before Indirect Allocations of \$147,420,210, an increase of 6.5%;

And further, that the 2019 Operating Budget for the Police Service and the Board be submitted to Regional Council for approval.

Carried.'

Further to Board direction, I would ask that you take the necessary action.

A copy of the report is enclosed.

Yours truly,

Deb Reid
Executive Director

Encl.

c: Mr. T. Harrison, Commissioner/Treasurer, Enterprise Resource Management, RMON



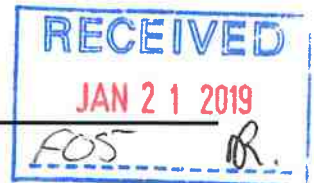
NIAGARA REGIONAL POLICE SERVICE **Police Services Board Report**

Report 21/2019
PUBLIC AGENDA

Subject: Amended 2019 Niagara Regional Police Service and Board
 Proposed Operating Budget

Report To: Chair and Members, Niagara Police Services Board

Report Date: 2019-01-18



Recommendation(s)

That the Police Services Board receive and approve the proposed 2019 Operating Budget for the Police Service and Board resulting in a Total Net Expenditure Budget before Indirect Allocations of \$147,420,210, an increase of 6.5%.

Key Facts

- Under the provisions of the *Ontario Police Services Act* (Act), the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara.
- In accordance with Section 39 of the Act, the Board submits a funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.
- The Proposed 2019 Operating Budget of \$147.4 million reflects the cost of executing our mandate to uphold all Adequacy Standards set by the Act, while providing effective policing to the community.

Financial Considerations

The proposed total consolidated net expenditure budget for the Niagara Regional Police Service and the Board is \$147,420,210 which is a 6.5% increase over 2018.

Police Service	\$146,660,355
Board	\$759,855
Niagara Regional Police Service and Board	\$147,420,210

Analysis

Under the provisions of the Act, the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara. In accordance with Section 39 of the Act, the Board submits a funding request to Regional

Council for the upcoming year after reviewing and approving the Service's detailed budget submission.

Timelines of the Budget Process completed to date are:

- Police Service Board approved 2019 Operating and Capital Budget timelines that ensure alliance with Region Budget Calendar.
- On July 12, 2018, the Board Finance Committee adopted the Region's 2019 budget guidance, a 3.4% increase.
- On July 18, 2018, the Corporate Services Committee approved an adjustment to the Service's 2018 Operating Budget before indirect allocations from \$143.5M to \$138.4M.

The table below summarizes the adjustment which reduced the transfer to the Long Term Accommodation Reserve, recorded in the Service's Operating Budget before Indirect Allocations, by \$5.1M, and moved the expenditure to indirect expenses and debt charges within indirect allocations.

	2018 Approved Budget	Adjustment	2018 Adjusted Budget
Net Direct Expenditure before Indirect Allocation	\$143.5M	\$(5.1)M	\$138.4M
Indirect Allocation*	6.1	0.3	6.4
Capital Financing Allocation**	4.8	4.8	9.6
Total Net Indirect Allocation	10.9	5.1M	16.0
2018 Net Expenditure after Indirect Allocations	\$154.4M	-	\$154.4M

*includes cost of facility and security support **debt servicing costs

The foundation of the 2019 Operating Budget submission was consistent with prior years; the Service is mandated to uphold adequacy standards while providing adequate and effective policing to the community. As in prior years, the Service budget process included a detailed line by line rationalization and review of discretionary spending. Base budgets were prepared by program managers and are validated against prior year spending patterns. Consistent with other Regional departments, boards, agencies and commissions, the Service was faced with a number of on-going budget pressures with limited funding options. As a result, the budget reflects 2019 contractual wage and other settlements, increases to employee group and statutory benefits, inflationary price fluctuations and operational pressures detailed in the table below.

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	\$	% Increase
2018 Restated Budget	\$138.4M	
Normal Inflationary and Contractual Increases	\$4.8M	3.5%
Proposed Budget before Capital Levy Restoration and Program Changes	\$143.2M	
Capital Levy Transfer Restoration	\$1.1M	0.8%
Proposed Budget before Program Changes	\$144.3M	
Program Changes	\$3.1M	2.2%
2019 Proposed Budget	\$147.4M	

In close alignment with budget guidance, the Service would be able to achieve a proposed 3.5% increase, if not for the capital levy restoration and program changes. With the additional pressures and increased operational needs, reflected in the program changes, the final proposed budget is \$147.4M, a 6.5% increase.

Program Changes:

The net program change increase of 2.2% (\$3.1 million) includes:

Net Total	% Increase	
\$300,240	0.2%	Human Trafficking Unit – Increase of 2 Detective Constables to address increasing human trafficking investigation obligations.
\$300,240	0.2%	Sexual Assault Unit – Increase of 2 Detective Constables to address increasing sexual assault investigation obligations.
\$152,903	0.1%	Corporate Clinical Psychologist – Creation of a Corporate Clinical Psychologist position to oversee the Service's psychological wellness programs.
\$78,108	0.1%	Recruiting and Career Development Unit - Increase of 1 civilian position to manage increased workload demands within the unit.
\$0	0.0%	Business Licensing - The transition of the enforcement of business licensing to the Niagara Region in alignment with industry practice.
\$13,025	0.0%	Records and Information Management Unit Staffing - The implementation of identified efficiency and process improvements within the unit through staffing realignment.
\$155,235	0.1%	Network Infrastructure IT Manager – The creation of a new IT Manager position to provide for the optimal

		realignment of resources.
\$459,832	0.3%	Workload Communication Study Realignment – The creation of additional supervisor positions to provide adequate supervision in accordance with the findings and recommendations of the recent workload study recommendations.
\$834,017	0.6%	Real Time Operations Centre (RTOC) - Implementation of a full time RTOC staffing model to realize the benefits identified in one year pilot project. The RTOC will leverage technology to ensure real time situational awareness at all levels of the organization, provide actionable intelligence to first responders and support police leaders with data driven and strategic decision making.
\$250,000	0.2%	Emerging Issues Contingency - Although the Service foresees additional costs related to upcoming legislated Cannabis changes, at this time, the precise costs and/or offsetting funding are not available. To mitigate the risks associated with this and other potential legislative changes, the Service is recommending a transfer to the contingency reserve. As a result of prior year mitigation exercises, the current balance in the contingency reserve is 0 which is well below the minimum funding target.
\$270,194	0.2%	1 District Downtown Foot Patrol – Increase of 2 Constables to provide for a foot/bicycle patrol unit in downtown St. Catharines.
\$260,944	0.2%	School Resource Officer Program – Increase of 2 Constables to restore compliment and expand program to include senior elementary student population.
\$3,074,789	2.2%	Total

Alternatives Reviewed

Do not approve.

Relationship to Police Service/Board Strategic Priorities

Under the provisions of the Act, the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara.

Relevant Policy Considerations

In accordance with Section 39 of the Act, the Board submits a funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.

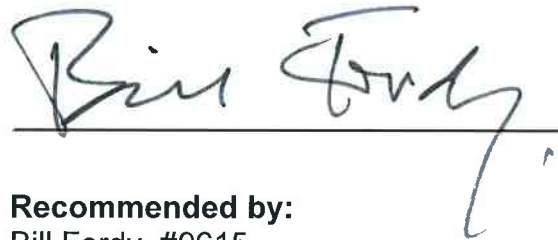
Other Pertinent Reports

Niagara Region Budget Guidance Communication, received by the Finance Committee July 12, 2018 providing a 2019 budget guidance increase of 3.4%.

This report was prepared in consultation with Lisa DiDonato-DeChellis, Director of Business Services.



Prepared by:
Laura Rullo, #8897
Manager, Finance



Recommended by:
Bill Fordy, #9615
Deputy Chief of Police



Submitted by:
Bryan MacCulloch, M.O.M. #5835
Chief of Police

Appendices

None