



PROPOSED Halifax Regional Police 2017/18 & 2018/19 Operating Budget Situation (Summary)

(Scenario #1: Increase of 1.733% in 2017/18, 0.698% increase in 2018/19)

Updated: January 12, 2017

Current Situation	2017/18	2018/19
Previous Year's Net Budget (2016/17 - \$76,964,700; 2017/18 proposed Net Budget - \$78,298,500)	\$ 76,964,700	\$ 78,298,500
Forecasted Net Budget Requirement To Operate	\$ 78,298,500	\$ 78,845,300
Budget Gap	\$ (1,333,800)	\$ (546,800)
Net Budget Change	1.733%	0.698%

A. Estimated Budget Pressures	2017/18	2018/19
(1) Decrease in budgeted credit for attrition and turnover. * Pro-active measures have been implemented to hire new officers ahead of known retirement dates, allowing for an increase in efficiency in the turnover process.	\$ (400,000)	\$ -
(2) 2017/18 Compensation pressures. * Including HRPAs Step Increases, non-union adjustments/ISA's approved in 016/17 fiscal year, slight decrease in the Youth Advocate Program compensation costs and one less working day in 2017/18 fiscal year compared to 2016/17 fiscal year. **Does not include any increases resulting from present collective bargaining incl. HRPAs, NSUPE 13 and CUPE 4814.	\$ (280,000)	\$ (107,900)
(3) Increase in facility lease/operating costs for Criminal Investigation Division.	\$ (262,400)	\$ (11,300)
(4) Removal of 2016/17 contribution from reserve Q316 (DNA), now consolidated in Q416 (Operating Stabilization). * DNA reserve emptied and closed in 2016/17.	\$ (224,000)	\$ -
(5) Removal of 2016/17 contribution from reserve Q325 (Provincial Funded Police Officers Investigations), now consolidated in Q416 (Operating Stabilization). * Removal of withdrawal initially put in place in 2015/16 to offset reduction in funding from NS DOJ "Boots On the Street" program as a result of the Public Safety Advisor position.	\$ (100,000)	\$ -
(6) Increase in facility cleaning janitorial services costs. * Increase costs over the past several years have been absorbed within existing budgets. With the signing of a new janitorial services contract that includes higher cleaning standards, costs are now fixed and existing budgets should be adjusted to reflect accurate costs now and over future years.	\$ (89,500)	\$ -
(7) Removal of 2016/17 contribution from reserve Q322 (Police Emergency /Extraordinary Investigations), now consolidated in Q416 (Operating Stabilization). * Removal of 1 year withdrawal setup in 2016/17 to assist in offsetting budget pressures while utilizing interest accumulated in a capped reserve of \$1,000,000.	\$ (50,000)	\$ -
(8) Decrease in City Watch contract with Halifax International Airport Authority.	\$ (5,000)	\$ -
(9) Increase in Lake Patrol Contract.	\$ (3,200)	\$ (1,900)
(10) Reduction in Boots on the Street Program Funding	\$ -	\$ -
Total	\$ (1,414,100)	\$ (121,100)

B. Service Enhancements (In Order of Priority)	2017/18	2018/19
(1) New Position - Security Coordinator (1 @ \$98,100 plus benefits).	\$ (118,300)	\$ (2,800)
(2) Additional Positions - Civilian Communications Radio Technician (4 @ \$55,500 plus benefits in each of the next 2 fiscal years).	\$ (278,500)	\$ (291,100)
(3) Position Conversion - Crime Analyst to a Digital Forensics Unit (Cyber) Technician. * \$20,600 represents the increase cost of a Digital Forensics Unit (Cyber) Tech. over a Crime Analyst.	\$ (20,600)	\$ (5,100)
(4) New Position - Health/Wellness Coordinator (1 @ \$75,250 plus benefits).	\$ (91,600)	\$ (2,100)
(5) Additional Position - Supply Assistant II (1 @ \$39,858 plus benefits).	\$ (51,500)	\$ (700)
(6) New Position - Digital Forensics Unit (Cyber) Technician (1 @ \$79,300 plus benefits).	\$ (97,500)	\$ (5,000)
(7) Additional Positions - System Administrators (2 @ \$70,500 plus benefits).	\$ -	\$ (174,700)
Total	\$ (658,000)	\$ (481,500)

C. Revenue/Cost Recovery Increases/Cost Savings/Efficiencies/Transfers/Contributions from Reserves	2017/18	2018/19
(1) Decrease in Commissionaires of Nova Scotia contract.	\$ 203,000	\$ -
(2) Reserve withdrawal addition - Q416 (Operating Stabilization), previously Q325 (Provincially Funded Police Officers Investigation Reserve). * To offset increase lease/operating costs for the new Criminal Investigation facility in Burnside; already approved through Halifax Regional Council report dated July 26, 2016, Subject: Award - RFP P16-052 - Leased Accommodations - Halifax Regional Police as per A.(3) above.	\$ 158,400	\$ -
(3) Decrease in Provincial DNA operating costs for HRM.	\$ 140,600	\$ -
(4) Miscellaneous cost recovery increases due to inflation and compensation relative to secondments.	\$ 113,000	\$ 32,800
(5) Reserve withdrawal addition - Q416 (Operating Stabilization), previously Q325 (Provincially Funded Police Officers Investigation Reserve). * To offset cost of additional space required for the new Criminal Investigation facility in Burnside as per A.(3) above.	\$ 100,000	\$ -
(6) RCMP Facility Cost Recovery. * Increase in cost recovery of RCMP's portion (25%) of the lease/operating costs for the new Criminal Investigation Division facility in Burnside as per A.(3) above.	\$ 23,300	\$ 1,300
(7.) Miscellaneous savings in janitorial cost for leased facilities.	\$ -	\$ 1,800
(8.) Miscellaneous savings on facility lease costs.	\$ -	\$ 19,900
Total Revenue/ Cost Recovery Increases	\$ 738,300	\$ 55,800

Budget (Deficit)/Surplus	2017/18	2018/19
	\$ (1,333,800)	\$ (546,800)

% Change from Year to Year	16/17 to 17/18	17/18 to 18/19
Revenues/Recoveries	1.496%	0.383%
Expenses	1.709%	0.666%
Overall Net Budget Change	1.733%	0.698%



PROPOSED Halifax Regional Police 2017/18 & 2018/19 Operating Budget Situation (Summary)

(Scenario 2: Balanced to HRM Targets)

Updated: January 12, 2017

Current Situation	2017/18	2018/19
Previous Year's Net Budget (2016/17 - \$76,964,700; 2017/18 proposed Net Budget - \$77,050,000)	- \$ 76,964,700	\$ 77,050,000
Forecasted Net Budget Requirement To Operate	- \$ 77,050,000	\$ 77,180,000
Budget Gap	- \$ (85,300)	\$ (130,000)
Net Budget Change	0.111%	0.169%

A. Estimated Budget Pressures	2017/18	2018/19
(1) Decrease in budgeted credit for attrition and turnover. * Pro-active measures have been implemented to hire new officers ahead of known retirement dates, allowing for an increase in efficiency in the turnover process.	- \$ -	\$ -
(2) 2017/18 Compensation pressures. * Including HRPA Step Increases, non-union adjustments/ISA's approved in 016/17 fiscal year, slight increase in the Youth Advocate Program compensation costs and one less working day in 2017/18 fiscal year compared to 2016/17 fiscal year. Does not include any increases resulting from present collective bargaining.	- \$ (280,000)	\$ (107,900)
(3) Increase in facility lease/operating costs for Criminal Investigation Division.	- \$ (262,400)	\$ (11,300)
(4) Removal of 2016/17 contribution from reserve Q316 (DNA), now consolidated in Q416 (Operating Stabilization). * DNA reserve emptied and closed in 2016/17.	- \$ (224,000)	\$ -
(5) Removal of 2016/17 contribution from reserve Q325 (Provincial Funded Police Officers Investigations), now consolidated in Q416 (Operating Stabilization). * Removal of withdrawal initially put in place in 2015/16 to offset reduction in funding from NS DOJ "Boots On the Street" program as a result of the Public Safety Advisor position.	- \$ -	\$ (18,600)
(6) Increase in facility cleaning janitorial services costs. * Increase costs over the past several years have been absorbed within existing budgets. With the signing of a new janitorial services contract that includes higher cleaning standards, costs are now fixed and existing budgets should be adjusted to reflect accurate costs now and over future years.	- \$ (89,500)	\$ -
(7) Removal of 2016/17 contribution from reserve Q322 (Police Emergency /Extraordinary Investigations), now consolidated in Q416 (Operating Stabilization). * Removal of 1 year withdrawal setup in 2016/17 to assist in offsetting budget pressures while utilizing interest accumulated in a capped reserve of \$1,000,000.	- \$ -	\$ (50,000)
(8) Decrease in City Watch contract with Halifax International Airport Authority.	- \$ (5,000)	\$ -
(9) Increase in Lake Patrol Contract.	- \$ (3,200)	\$ (1,900)
(10) Reduction in Boots on the Street Program Funding	- \$ -	\$ -
Total	\$ (864,100)	\$ (189,700)

B. Service Enhancements	2017/18	2018/19
None.	-	-
Total	\$ -	\$ -

C. Revenue/Cost Recovery Increases/Cost Savings/Efficiencies/Transfers/Contributions from Reserves	2017/18	2018/19
(1) Decrease in Commissionaires of Nova Scotia contract.	- \$ 203,000	\$ -
(2) Reserve withdrawal addition - Q416 (Operating Stabilization), previously Q325 (Provincially Funded Police Officers Investigation Reserve). * To offset increase lease/operating costs for the new Criminal Investigation facility in Burnside; already approved through Halifax Regional Council report dated July 26, 2016, Subject: Award - RFP P16-052 - Leased Accommodations - Halifax Regional Police as per A.(3) above.	- \$ 158,400	\$ -
(3) Decrease in Provincial DNA operating costs for HRM.	- \$ 140,600	\$ -
(4) Miscellaneous cost recovery increases due to inflation and compensation relative to secondments.	- \$ 153,500	\$ 36,700
(5) Reserve withdrawal addition - Q416 (Operating Stabilization), previously Q325 (Provincially Funded Police Officers Investigation Reserve). * To offset cost of additional space required for the new Criminal Investigation facility in Burnside as per A.(3) above.	- \$ 100,000	\$ -
(6) RCMP Facility Cost Recovery. * Increase in cost recovery of RCMP's portion (25%) of the lease/operating costs for the new Criminal Investigation Division facility in Burnside as per A.(3) above.	- \$ 23,300	\$ 1,300
(7.) Miscellaneous savings in janitorial cost for leased facilities.	-	\$ 1,800
(8.) Miscellaneous savings on facility lease costs.	-	\$ 19,900
Total Revenue/ Cost Recovery Increases	\$ 778,800	\$ 59,700

Budget (Deficit)/Surplus	2017/18	2018/19
	- \$ (85,300)	\$ (130,000)

% Change from Year to Year	16/17 to 17/18	17/18 to 18/19
Revenues/Recoveries	1.957%	0.425%
Expenses	0.300%	0.195%
Overall Net Budget Change	0.111%	0.169%



PROPOSED Halifax Regional Police 2017/18 & 2018/19 Operating Budget Situation (Summary)

(Scenario #3: Decrease of 1.733% in 2017/18, 0% Change in 2018/19)

Updated: January 12, 2017

Current Situation	2017/18	2018/19
Previous Year's Net Budget (2016/17 - \$76,964,700; 2017/18 proposed Net Budget - \$75,630,900)	- \$ 76,964,700	\$ 75,630,900
Forecasted Net Budget Requirement To Operate	- \$ 75,630,900	\$ 75,630,900
Budget Gap	- \$ 1,333,800	\$ -
Net Budget Change	-1.733%	0.000%

A. Estimated Budget Pressures	2017/18	2018/19
(1) Decrease in budgeted credit for attrition and turnover. <i>* Pro-active measures have been implemented to hire new officers ahead of known retirement dates, allowing for an increase in efficiency in the turnover process.</i>	- \$ -	\$ -
(2) 2017/18 Compensation pressures. <i>* Including HRPA Step Increases, non-union adjustments/ISA's approved in 016/17 fiscal year, slight increase in the Youth Advocate Program compensation costs and one less working day in 2017/18 fiscal year compared to 2016/17 fiscal year. Does not include any increases resulting from present collective bargaining.</i>	- \$ (280,000)	\$ (107,900)
(3) Increase in facility lease/operating costs for Criminal Investigation Division.	- \$ (262,400)	\$ (11,300)
(4) Removal of 2016/17 contribution from reserve Q316 (DNA), now consolidated in Q416 (Operating Stabilization). <i>* DNA reserve emptied and closed in 2016/17.</i>	- \$ (224,000)	\$ -
(5) Removal of 2016/17 contribution from reserve Q325 (Provincial Funded Police Officers Investigations), now consolidated in Q416 (Operating Stabilization). <i>* Removal of withdrawal initially put in place in 2015/16 to offset reduction in funding from NS DOJ "Boots On the Street" program as a result of the Public Safety Advisor position.</i>	- \$ -	\$ -
(6) Increase in facility cleaning janitorial services costs. <i>* Increase costs over the past several years have been absorbed within existing budgets. With the signing of a new janitorial services contract that includes higher cleaning standards, costs are now fixed and existing budgets should be adjusted to reflect accurate costs now and over future years.</i>	- \$ (89,500)	\$ -
(7) Removal of 2016/17 contribution from reserve Q322 (Police Emergency /Extraordinary Investigations), now consolidated in Q416 (Operating Stabilization). <i>* Removal of 1 year withdrawal setup in 2016/17 to assist in offsetting budget pressures while utilizing interest accumulated in a capped reserve of \$1,000,000.</i>	- \$ -	\$ -
(8) Decrease in City Watch contract with Halifax International Airport Authority.	- \$ (5,000)	\$ -
(9) Increase in Lake Patrol Contract.	- \$ (3,200)	\$ (1,900)
(10) Reduction in Boots on the Street Program Funding	- \$ -	\$ -
Total	\$ (864,100)	\$ (121,100)

B. Service Enhancements	2017/18	2018/19
None.	-	-
Total	\$ -	\$ -

C. Revenue/Cost Recovery Increases/Cost Savings/Efficiencies/Transfers/Contributions from Reserves	2017/18	2018/19
(1) Decrease in Commissionaires of Nova Scotia contract.	- \$ 203,000	\$ -
(2) Reserve withdrawal addition - Q416 (Operating Stabilization), previously Q325 (Provincially Funded Police Officers Investigation Reserve). <i>* To offset increase lease/operating costs for the new Criminal Investigation facility in Burnside; already approved through Halifax Regional Council report dated July 26, 2016, Subject: Award - RFP P16-052 - Leased Accommodations - Halifax Regional Police as per A.(3) above.</i>	- \$ 158,400	\$ -
(3) Decrease in Provincial DNA operating costs for HRM.	- \$ 140,600	\$ -
(4) Miscellaneous cost recovery increases due to inflation and compensation relative to secondments.	- \$ 153,500	\$ 36,700
(5) Reserve withdrawal addition - Q416 (Operating Stabilization), previously Q325 (Provincially Funded Police Officers Investigation Reserve). <i>* To offset cost of additional space required for the new Criminal Investigation facility in Burnside as per A.(3) above.</i>	- \$ 100,000	\$ -
(6) RCMP Facility Cost Recovery. <i>* Increase in cost recovery of RCMP's portion (25%) of the lease/operating costs for the new Criminal Investigation Division facility in Burnside as per A.(3) above.</i>	- \$ 23,300	\$ 1,300
(7.) Miscellaneous savings in janitorial cost for leased facilities.	-	\$ 1,800
(8.) Miscellaneous savings on facility lease costs.	-	\$ 19,900
- Required decrease in services or increase in revenue or additional reserve contributions.	- \$ 1,419,100	\$ 61,400
<i>- A \$1,419,100 decrease in services is equivalent to 21 of the most junior Constables based on the 2017/18 Wage Model, and could negatively impact the current Provincial Boots on the Street funding.</i>		
Total Revenue/ Cost Recovery Increases	\$ 2,197,900	\$ 121,100

Budget (Deficit)/Surplus	2017/18	2018/19
	- \$ 1,333,800	\$ -

% Change from Year to Year	16/17 to 17/18	17/18 to 18/19
Revenues/Recoveries	1.957%	0.425%
Expenses	-1.355%	0.045%
Overall Net Budget Change	-1.733%	0.000%

Reserves Associated with Halifax Regional Police

Reserve		Balance October 4, 2016	Expected Accumulated Interest up to March 31, 2017	Budgeted Withdrawals/Contributions in 2016/17	Expected Balance April 1, 2017	Notes
Q323	Police Officer On the Job Injury (Compensation) Reserve	\$1,859,266	\$10,302	\$0	\$1,869,568	- Reserve Q323 balance of \$1,859,266.07 transferred to Q411 - Police Officer Injury on October 4th, 2016.
Q322	Police Emergency/Extraordinary Investigation Reserve (Capped at \$1,000,000)	\$1,041,129	\$5,769	-\$50,000	\$996,898	- \$50,000 budgeted to be withdrawn in 16/17 to HRP Operating to offset criminal intelligence equipment costs, and to bring the total reserve amount under the \$1,000,000 cap. For 2017/18, Halifax Regional Police (HRP) is recommending that this withdrawal to HRP Operating discontinue. - Reserve Q322 balance of \$1,041,129.05 transferred to Q416 - Operating Stabilization on October 4, 2016.
Q325	Provincially Funded Police Officers and Facility Lease Reserve	\$3,534,193	\$19,582	-\$100,000	\$3,453,775	- \$100,000 budgeted to be withdrawn in 16/17 to HRP Operating to offset the funding loss from the Province as a result of the Public Safety Coordinator position that was established in the CAO's office in 15/16. For 17/18, HRP is recommending this withdrawal discontinue, and replaced with a withdrawal of \$258,400 to offset lease/operating costs for the new CID facility in Burnside, of which \$158,400 was already approved through the lease award Council report in July, 2016. - Reserve Q325 balance of \$3,534,197.74 transferred to Q416 - Operating Stabilization on October 4, 2016.
Q316	DNA Cost Reserve	\$224,819	\$1,246	-\$224,000	\$2,065	- \$224,000 budgeted to be withdrawn in 16/17 to HRP Operating to offset the costs of the provincial DNA Case Analysis invoice. This withdrawal will deplete the reserve, which will no longer continue going forward. - Reserve Q316 balance of \$224,819.48 transferred to Q416 - Operating Stabilization on October 4, 2016.
Total		\$6,659,407	\$36,898	-\$374,000	\$6,322,305	

Police Officer on the Job Injury Reserve, Q411

Type of Reserve: Risk. A contingency fund for risk recognizes:

- a) the financial risk of unforeseen events involving substantial costs, such as emergencies or economic events; and
- b) that a reserve can mitigate this risk by providing funding for sufficient public safety or preventing service interruptions.

Purpose

To provide financial assistance for sworn officers injured on the job for those injuries not covered by Long Term Disability insurance. Sworn officers with Halifax Regional Police opted out of the Province's WCB insurance and provide 100% self coverage.

If required, the Director of Finance may authorize year-end transfers to the reserve in accordance with this business case.

This reserve replaces Q323 Police Officer on the Job Injury Reserve.

Source of Funds

Funding arises from:

- a) the Police Services WCB operating account to contribute a minimum of \$25,000 per year;
- b) transfer of year-end surplus funds in Police Services operating budget;
- c) amounts transferred to the fund as approved by Council; and,
- d) interest accumulated in accordance with the Corporate Guidelines respecting Reserves.

Application of Funds

Funds are allocated for supplementing the salary or assisting with Sworn Officer expenses incurred as the result of officers injured on the job, as provided by Article 44 of the 2010 HRPAs collective agreement, or future collective agreements.

Time Line and Balances

This reserve is intended to be permanent. Per Administrative Order 2014-015, The Director of Finance shall:

- a) review the reserve annually to ensure that funds are contributed and withdrawn according to the approved Reserve Business Case;
- b) review each Reserve at set intervals to ensure continuing relevance and adequacy with the strategic direction of the Municipality;
 - i. Set interval for this reserve will be every 3 years;
- c) provide to Council an annual report on Reserve activity and balance; and,
- d) recommend to Council the closure of any Reserve whose purpose is outdated or to combine any Reserves with similar purposes.

In accordance with the Administrative Order 2014-015, a minimum and maximum balance should be set to meet the purpose of the Reserve. Per the Administrative Order 2014-015 Guidelines, the Business Unit shall submit a five year detailed cash flow projection which includes contributions and withdrawals.

This will be developed in consultation with Business Units and will be updated by September 30, 2017.

Approval Process

As outlined in the Administrative order 2014-015 and Administrative Guidelines, withdrawals from the reserve will be approved by Council, either through the annual budget process to ensure it continues to meet the operational requirements, or by motion of Council subsequent to approved budget. Finance (Accounting) is responsible for ensuring availability of funds and appropriateness of withdrawals in accordance with the Reserve Business Case prior to report submission to Audit & Finance Standing Committee and Council requesting their approval.

Attachments

As per outlined in the time lines and reserve balances section above, the 5 year cash flow will be prepared and attached to reserve business case. This will include assumptions used in projecting dollar amounts with activity for an appropriate length of time keeping with the nature of the reserve.

Original Council Approval Date	
Effective Date of Last Revision	
Business Unit Director Contact	Chief of Police, Halifax Regional Police

Operating Stabilization Reserve, Q416

Type of Reserve: Risk. A contingency fund for risk recognizes:

- a) the financial risk of unforeseen events involving substantial costs, such as emergencies or economic events; and
- b) that a reserve can mitigate this risk by providing funding for sufficient public safety or preventing service interruptions.

Purpose

To establish a funding source to smooth significant fluctuations in operating expenditures related to various aspects of service delivery and stabilize tax rates.

This reserve combines and replaces six reserves: Q308 Operations Stabilization Reserve, Q309 Snow and Ice Control Variable Operating Reserve, Q314 E.M.O. Cost Recovery Reserve, Q316 DNA Cost Reserve, Q322 Police Emergency/Extraordinary Investigation Reserve and Q325 Provincially Funded Police Officers & Facility Lease Reserve.

Source of Funds

Funding arises from:

- a) annual allocations from Fiscal Services operating budget;
- b) transfer of year-end surplus representing the variance between funds received/used for Provincially funded police officers;
- c) amounts transferred to the fund as approved by Council; and
- d) interest accumulated in accordance with the Corporate Guidelines respecting Reserves.

Application of Funds

Funds are allocated for:

- a) transfers to operating budget to offset any year-end deficit; and
- b) costs specifically attributable to the provincially funded police officers, such as salaries, benefits, accommodations (facilities) and equipment.

Time Line and Balances

This reserve is intended to be permanent. Per Administrative Order 2014-015, The Director of Finance shall:

- a) review the reserve annually to ensure that funds are contributed and withdrawn according to the approved Reserve Business Case;
- b) review each Reserve at set intervals to ensure continuing relevance and adequacy with the strategic direction of the Municipality;
 - i. Set interval for this reserve will be every 2 years;
- c) provide to Council an annual report on Reserve activity and balance; and,
- d) recommend to Council the closure of any Reserve whose purpose is outdated or to combine any Reserves with similar purposes.

In accordance with the Administrative Order 2014-015, a minimum and maximum balance should be set to meet the purpose of the Reserve. Per the Administrative Order 2014-015 Guidelines, the Business Unit shall submit a five year detailed cash flow projection which includes contributions and withdrawals.

This will be developed in consultation with Business Units and will be updated by September 30, 2017.

Approval Process

As outlined in the Administrative order 2014-015 and Administrative Guidelines, withdrawals from the reserve will be approved by Council, either through the annual budget process to ensure it continues to meet the operational requirements, or by motion of Council subsequent to approved budget. Finance (Accounting) is responsible for ensuring availability of funds and appropriateness of withdrawals in accordance with the Reserve Business Case prior to report submission to Audit & Finance Standing Committee and Council requesting their approval.

Attachments

As per outlined in the time lines and reserve balances section above, the 5 year cash flow will be prepared and attached to reserve business case. This will include assumptions used in projecting dollar amounts with activity for an appropriate length of time keeping with the nature of the reserve.

Original Council Approval Date	
Effective Date of Last Revision	
Business Unit Director Contact	Director, Finance and Information Technology/CFO Chief of Police