

Public

Meeting: **8 May 2017**

Agenda Item: **Finance Committee Meeting – April 10, 2017 - Summary**



Background

Present:

Ms. Rose Rockbrune, Chair
Mr. Roger Anderson
Ms. Bobbie Drew
Chief Martin
Deputy Chief Fernandes
Deputy Chief Jaswal
Mr. Stan MacLellan, CAO
Mr. Giles le Riche, Business Services Director
Ms. Teresa Hewer, Financial Services Manager
Bill Clancy, Executive Director

Summary of Meeting

1. 2018 Budget Overview

Mr. le Riche provided an overview of initial analysis of the Service's budget requirements for 2018. It is expected that a number of pressures will be exerted on the DRPS in the upcoming year. In 2017, the Service experienced significant increases to the costs of benefits and these are not expected to be reduced, although there is no indication of a possible change to OMERS employer contributions. Mr. le Riche indicated that the Service is expecting retirements to increase, and payment of the sick leave retirement gratuity will likely exceed payments in recent years by a significant margin as will accruals for post-retirement benefits. Ms. Hewer advised that based on projections, the payments will ease after a few years and then ramp up again in approximately 10 years. Mr. Anderson inquired if money had been set aside for these payments. Mr. MacLellan and Mr. le Riche indicated that they support this option, but noted that this funding mechanism has not been fully explored and formalized from the Region's perspective. Ms. Drew indicated that she agrees that reserve accounts for capital and sick time payouts would be reasonable given the fluctuations that occur from year to year. Chief Martin reminded the Committee that in 2017, the budget was reduced to meet the guideline, and the Service was not able to budget for the debt payment on capital that was initially expected. Continuous funding for reserves may be problematic to sustain, and Chief Martin emphasized that the guideline continues to

present a challenge and necessitates that difficult choices be made. Mr. le Riche also noted that grant funding from the Province, currently at more than \$3 million, could also be at risk. The financial implications of program changes that have been under discussion, including body worn cameras and diversity, would also need be considered carefully. Deputy Fernandes advised that a report and recommendation on body worn cameras would be made to the Board in June, and Chief Martin suggested that standardization in this area across the Province would assist the Service in determining requirements.

2. Policy Amendment – Financial Condition and Activities

The Committee discussed options regarding amendments to the policy regarding the reallocation of funds. Mr. MacLellan emphasized that flexibility is necessary and the ability to reallocate funds within the approved budget should rest with the Chief of Police. Mr. Anderson noted that reallocation should not be limitless and drew a comparison to the Region where Council approval is required when certain thresholds are met. Mr. le Riche suggested that the Service could advise the Board in advance when the capital budget would exceed 10%. Ms. Drew indicated that this amount was high, and suggested a lower percentage would be more feasible.

The Committee agreed to recommend to the Board that the policy be revised to require the DRPS to inform the Board prior to making capital purchases that would cause of capital budget variance of 5% or more, to a maximum of \$200,000.

3. Overtime

The Committee reviewed a report that compared overtime across the divisions for the years 2015 and 2016. While spending on overtime was up moderately from 2015 to 2016, it was still lower than the amount budgeted. Mr. le Riche indicated that the position that overtime increased as a result of staffing shortages on the front line is not valid.

Approved By: Ms. Rose Rockbrune
Chair
Strategic Planning and Policy Committee