

Public

Meeting: **10 October 2017**

Agenda Item: **Finance Committee Meeting – September 11, 2017 - Summary**



Background

Present:

Ms. Rose Rockbrune, Chair
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

Prior to a review of the 2018 budget, as a follow up to the discussion at the Board meeting, the Committee reviewed the current policy on recognizing retirement costs for sick pay and benefits in the police expense accounts in the year notice is given and the volatility this causes in expenses recognized in comparison to the budgeted amount. Mr. le Riche explained that because many more members are now eligible to retire and that the timing of their retirement decisions are personal, the actual expense can vary significantly from what has been budgeted. This policy has been adopted with the full concurrence of Region Finance.

Mr. le Riche and Ms. Hewer highlighted the difficulty in forecasting retirements, and the volatility that ensues which causes unnecessary pressure on the operating budget. Mr. le Riche suggested that the Board support his proposal to formalize an agreement with Region Finance staff to treat the amounts budgeted in the police operating budget for sick pay and post-retirement benefits as a stable annual contribution to a Regional liability account. Actual payments of sick pay and actual post-retirement benefit accruals would flow through that liability account and would not impact the police operating spending accounts and therefore would not contribute to over or underspending versus the approved police operating budget. DRPS and Region Finance would periodically

assess the annual budgeted contribution to this liability account to ensure that it is sufficient to absorb the average level of retirement costs expected in the following 3 to 5-year period and would accommodate any necessary changes into the police budget guideline.

The committee recommends that the Board support the above proposal to take effect in 2017 and subsequent years.

Mr. MacLellan provided opening comments on the DRPS financial picture, emphasizing the fiscal challenges that have faced the DRPS in recent years. Many of the program changes included in the 2018 budget reflect Board priorities, including diversity and body worn cameras. Mr. MacLellan reminded the Committee that the DRPS remains 2nd among comparators in per capita policing costs.

Mr. le Riche summarized the program and base budget changes proposed. The base budget increase would be 2.74% and the program budget increase would be 1.49%. The increases are driven primarily by higher wages and benefits. In particular, benefit premiums, which are set by the Region, would increase by \$1.3 million. Mr. le Riche advised the Committee that Ms. Hewer's efforts with the Region resulted in a significant reduction to the budgeted amount for DRPS' LTD costs.

Ms. Rockbrune asked for insight into whether body worn cameras would become an operational necessity at some point in time. Chief Martin explained that there is a lack of consensus within the police community about what the future holds, and he expressed the importance of making an evidence-based decision on local experience, which is the purpose of the pilot project. Deputy Fernandes noted that the majority of the costs anticipated are for payroll, including the civilians that would perform video disclosure and overtime for frontline officers equipped with the cameras. However, these costs are somewhat difficult to predict. Ms. Drew raised the possibility of deferring the Body Worn Camera project for a year, and also noted the high costs associated with the diversity and inclusion program changes. Mr. MacLellan indicated that the Equity and Inclusion program costs included represent a robust program in accordance with the Boards approved DEI Strategic Plan, but that if necessary the program could be phased in over 2 to 3 years allowing the costs to be increased incrementally over 2 or 3 budget years.

The Committee noted that the budget includes an additional 11.5 FTEs. Chief Martin stated that in spite of the growth across the Region, authorized strength has been at the same level for nearly a decade, and the time has come to relieve the pressure that has been accumulating. He pointed out that entire Units have been created through the reassignment of resources, and he emphasized that this approach is no longer sustainable. The organization is especially stressed through the summer during the peak holiday period.

Mr. MacLellan informed the Committee that WSIB costs are approximately double the amount in the past. In 2016, the Provincial Government changed the law so that PTSD

is a presumptive workplace injury for emergency services workers. Deputy Jaswal indicated that the significant number of members that are not fully deployed adds to the staffing pressures experienced by the DRPS.

Mr. le Riche advised the Committee that several years ago the budget enabled the Service to exceed authorized strength for a period of time prior to members taking retirement. The purpose of this was to bridge the gap from the time when members retire to the time that it takes to place a new officer on the frontline. It was suggested that this practice be reinstated to provide the Service greater staffing certainty.

- **The Committee recommends that the budget include funding to eliminate sworn vacancies and enable the DRPS to exceed authorized strength by a minimal amount for a short period of time to reduce staffing pressure.**

It was acknowledged that the Region's Budget Guideline will be determined in October and that further discussion will be required once it is received.

Approved By: Ms. Rose Rockbrune
Chair
Finance Committee