Agenda – Executive Policy Committee – December 13, 2013

BUDGET REVIEW

Item No. 10 2014 Preliminary Capital Budget and 2015 - 2019 Five-Year Forecast; 2014 – 2016 Preliminary Operating Budget

WINNIPEG POLICE BOARD RECOMMENDATION:

On December 6, 2013, the Winnipeg Police Board recommended to Council:

1. That the 2014 Preliminary Capital Budget and 2015 to 2019 Five-Year Forecast under its purview be approved.

2. That the 2014 to 2016 proposed Preliminary Operating Budget under its purview be approved with the following amendments:

    A. That an estimate of the operating costs for the Winnipeg Police Service to deliver adequate and effective policing services in 2014 totaling $259,223,628, based on Attachment A, comprised of the following be approved:

Revenue estimate	$ 43,807,967
Mill rate support	$215,415,661
Total estimate	$259,223,628

    B. That the fees outlined in Attachment B be approved.

DECISION MAKING HISTORY:

WINNIPEG POLICE BOARD RECOMMENDATION:

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1. That the 2014 Preliminary Capital Budget and 2015 to 2019 Five-Year Forecast under its purview be approved.

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Mill rate support	$215,415,661
Total estimate	$259,223,628

    B. That the fees outlined in Attachment B be approved.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 29, 2013, the Executive Policy Committee referred the 2014 Preliminary Capital Budget and 2015 to 2019 Five-Year Forecast, as well as the 2014 – 2016 Preliminary Operating Budget, to the following budget review process:

December 3, 2013	Standing Policy Committee on Property and Development
December 5, 2013	Standing Policy Committee on Protection and Community Services
December 6, 2013	Winnipeg Police Board
December 9, 2013	Standing Policy Committee on Infrastructure Renewal and Public Works
December 12, 2013	Executive Policy Committee – Delegations
December 13, 2013	Executive Policy Committee – Recommendation to Council
December 17, 2013	Council

Winnipeg Police Board
Revised Executive Director Budget Report

Date: December 5, 2013
Subject: 2014 -2016 Proposed Budget of the Winnipeg Police Service

Recommendations:

1. That the Winnipeg Police Board submit to Council an estimate of the operating costs for the Winnipeg Police Service to deliver adequate and effective policing services in 2014 totaling $259,223,628, based on the attached revised adjustments to the budget proposed by the City Administration, comprised of the following:

Revenue estimate	$ 43,807,967
Mill rate support	$215,415,661
Total estimate	$259,223,628

2. That the Winnipeg Police Board submit to Council an estimate of the capital costs for the Winnipeg Police Service in 2014 -19 as tabled at Executive Policy Committee on November 29, 2013.

3. That the Winnipeg Police Board recommend that Council approve the fees outlined in the attached table.

Reason for the Report:

Subsection 29(1) of *The Police Services Act* requires the Winnipeg Police Board to provide Council with an estimate of the costs required to operate the police service in the next fiscal year.

Section 19 of the Winnipeg Police Board By-law provides:

> 19. The Board shall submit operating and capital estimates to Council that will show the amounts that will be required to maintain the Winnipeg Police Service and provide it with equipment and facilities. The format of the estimates, the period they cover, and the timetable for their submission shall be in accordance with City budget procedures.

Council is responsible for establishing the total budget of the police service; the police board is responsible for allocating the funds that are provided to the police service under the City budget.

Subsection 35(1) of *The Police Services Act* requires the Board to operate in accordance with the policy and procedures manual developed for police boards by the Manitoba Police Commission. Chapter 7 of the manual prescribes that the Board shall direct the police chief to prepare an annual estimate of the cost to deliver adequate and

effective policing services in the next fiscal year, and that the Board shall review the draft budget at an in-private board meeting and satisfy themselves that the budget is sufficient to maintain an adequate and effective police service.

The Board reviewed the draft budget at an informal in-private meeting on November 8, after several informal meetings of the Board's Budget and Finance Sub-Committee and the WPS Executive. Subsequent to the November 8 meeting, a number of informal discussions occurred between the City Administration, WPS, and the Board Chair and Executive Director toward a common understanding of the required estimates.

Implications of the Recommendations:

1. Traffic enforcement initiative revenue is expected to increase due to the capacity of new digital photo enforcement technology to more effectively detect and record infractions across multiple lanes of traffic, and due to enforcement of speed limits in school zones. The revised increase in photo enforcement revenue will bring it to a total of $11.4 million for 2014. The latest WPS traffic enforcement initiative revenue projection for 2013 is $11.3 million.

2. The attached table shows the current and proposed fees. The fee increases are about 12.6% above the levels that would result from cost inflation adjustments, and therefore are subject to Council approval. The proposed fees will increase the contribution to police overhead costs and will remain below those charged in other jurisdictions. For example, in Edmonton the fee for a criminal record search is $48.00, $9.45 higher than Winnipeg's proposed fee.

3. The projected revenue from the WPS' contract with the Winnipeg Airport Authority to supply policing services has increased by $511,000. The previous revenue projection was based on termination of this contract early in 2014 and it is now clear that this contract will continue until the fall. In addition, WAA has since agreed to indemnify WPS for additional officers. This revenue increase is proposed to be allocated as follows ($000's):

Elimination of previous request for additional mill rate support	$400.0
Previously proposed furlough savings no longer available	$ 83.0
Reduced target for savings through efficiencies	$ 28.0
Total	$511.0

4. WPS had proposed to cancel the entire 2014 recruit class to meet the City Administration's original target.

5. The Feb 2014 recruitment class is proposed to be reduced from 34 to 20 instead of being cancelled, with the balance being deferred until the fall. This would save the salaries of 14 recruits for 6 months and related costs. Depending on the attrition rate in 2014, the deferral of 14 members over the summer months would require that front line positions will need to be backfilled from other areas in the Service. This

could be exacerbated by a higher than expected attrition if it occurs; there is a risk that it may be higher in 2014 due to a number of factors.

6. The proposed general operating expense reduction of $172,163 represents less than 0.4% of the WPS' operating expense budget of about $52 million (excluding salaries and benefits). The Chief will determine opportunities to meet this targeted reduction as the 2014 year unfolds, and will report on the specific reductions to be implemented.

7. As a result of informal discussions, the City Administration proposed an increase in net mill rate support from its initial target in this amount.

Attachment A

Winnipeg Police Service 2014 Budget Estimates
REVISED Adjustments from October 31 Police Submission to City Administration

Revenue

1.	Net increase in traffic enforcement initiative revenue	$	(400,740.00)
2.	Increase in fees for record searches	$	(200,000.00)
3.	Winnipeg Airport Authority contract revenue adjustment	$	(511,000.00)

Expenses

4.	Restore spring 2014 recruit class	$	1,823,058.00
	Reverse decrease in uniform/equipment costs	$	144,194.00
5.	Deferral of 14 members of Feb 2014 class to Fall	$	(409,457.00)
	Reduced costs for reduced spring class	$	(50,892.00)
6.	Operating expense reductions through improved efficiencies (to be identified)	$	(172,163.00)
7.	Increase in mill rate support previously accepted	$	(223,000.00)

Net increase in mill rate support required $ -

Attachment B **November 29, 2013**

Winnipeg Police Service 2014 Budget
Proposed Fee Increases

	Current fee	Inflationary adjustment	Proposed fee	Increase over inflationary adjustment
Accident report copy	$ 16.33	$ 16.57	$ 18.65	**$ 2.08**
Criminal record search (GST not applicable)	$ 33.75	$ 34.25	$ 38.55	**$ 4.30**
Criminal record search - online (GST not applicable)	$ 33.75	$ 34.25	$ 38.55	**$ 4.30**
Criminal record search - online Service Fee	$ 5.00	$ 5.00	$ 5.00	**$ -**
Criminal record transcript (GST not applicable)	$ 36.50	$ 37.00	$ 41.64	**$ 4.64**
Incident confirmations				
Incident confirmations (1)	$ 16.33	$ 16.57	$ 18.65	**$ 2.08**
Incident confirmations (2)	$ 21.29	$ 21.61	$ 24.32	**$ 2.71**
Incident confirmations (3 - 4)	$ 32.19	$ 32.67	$ 36.77	**$ 4.10**
Incident confirmations (5 - 10)	$ 52.86	$ 53.65	$ 60.38	**$ 6.73**
Incident confirmations (11 - 15)	$ 73.81	$ 74.92	$ 84.32	**$ 9.40**
Incident confirmations (16 - 30)	$ 95.24	$ 96.67	$ 108.80	**$ 12.13**
Insurance confirmation	$ 16.33	$ 16.57	$ 18.65	**$ 2.08**