

TO: Chair and Members of the Audit and Finance Committee
Original Signed

SUBMITTED BY: _____
Greg Keefe, Director of Finance & ICT, CFO

DATE: March 11, 2013

SUBJECT: _____
Halifax Regional Police 13/14 Preliminary Budget Presentation

ORIGIN

At the December 4, 2012 Committee of the Whole, Regional Council directed staff to present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council.

RECOMMENDATION

It is recommended that the Audit and Finance Committee direct staff to proceed to prepare the Halifax Regional Police Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided through the committee discussion on March 20, 2013 for inclusion in the proposed HRM 13/14 Budget and Business Plan documents.

BACKGROUND

As part of the design of the 2013-2014 Proposed Budget, the Audit and Finance Committee is reviewing each Business Unit's high level budget and proposed plans in advance of detailed Budget and Business Plan preparation.

At the December 4, 2012 Committee of the Whole Regional Council considered their Strategic Priority Outcomes and directed staff to: *"present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council following the priority outcomes described in Attachment "A" having regard to the changes and additional priorities raised by Council during the course of discussion in Committee of the Whole."*

DISCUSSION

Staff has prepared a draft Business Unit Budget and Business Plan presentation consistent with the fiscal direction received from the Audit and Finance Committee on December 19, 2012 and aligned with the Council Priorities discussed at the December 4th Committee of the Whole.

On February 25, 2013 the Halifax Regional Police Commission Approved the draft 13/14 Police Budget being presented to the Audit and Finance Committee as part of this report.

Following direction from the Audit and Finance Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 13/14 Budget and Business Plan documents to be presented to Audit and Finance Committee as per the process and schedule endorsed by Regional Council on December 4, 2012.

BUDGET IMPLICATIONS

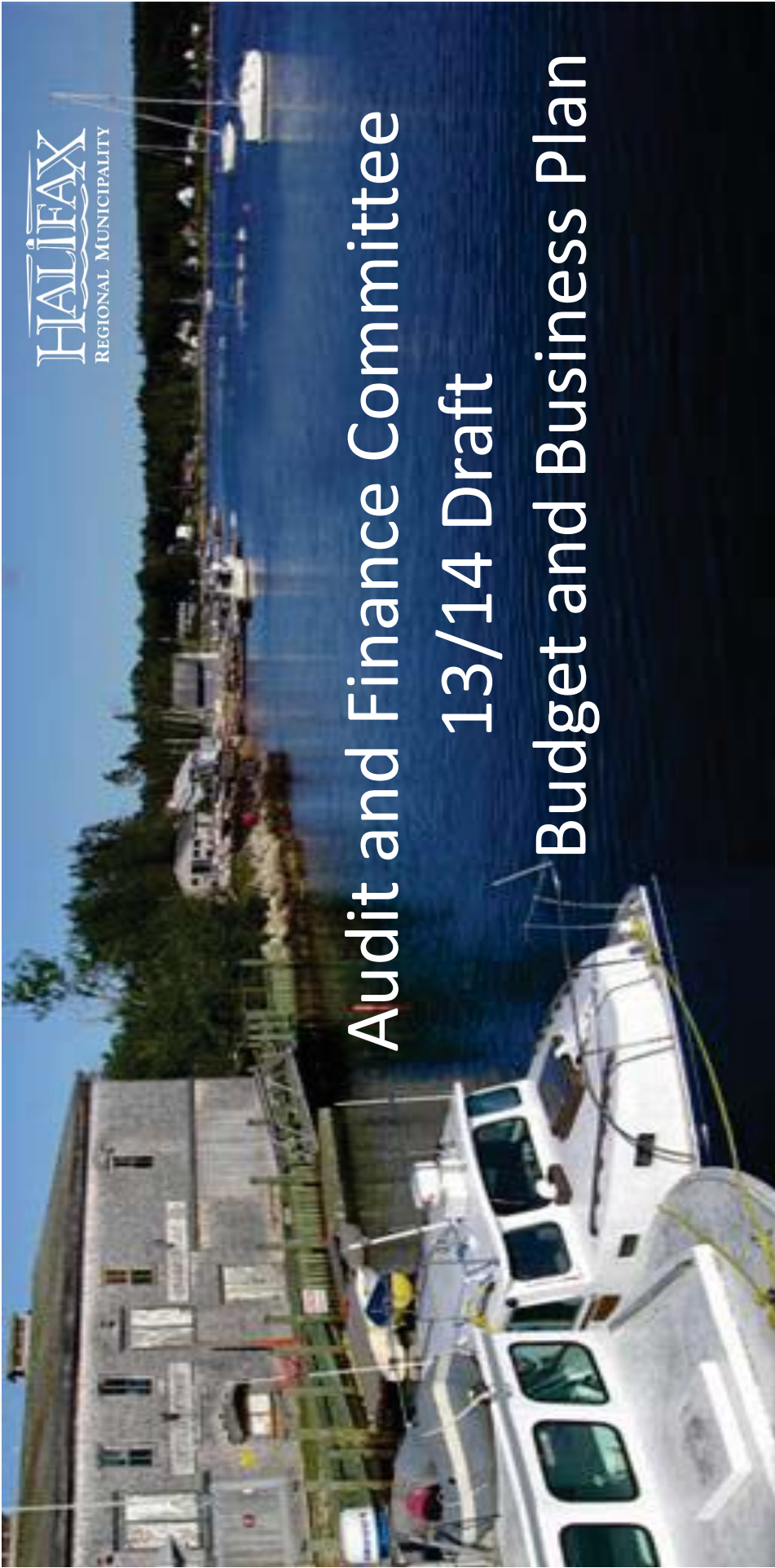
The recommendations in this report will lead to the development of a proposed budget for 2013-14. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

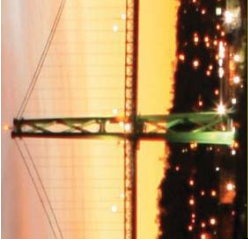
None are associated with this report.



Audit and Finance Committee
13/14 Draft
Budget and Business Plan

Halifax Regional Police

March 20, 2013

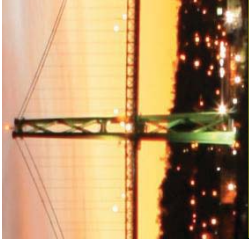


Halifax Regional Police

Business Unit Overview

Halifax Regional Police and Halifax District of the Royal Canadian Mounted Police (RCMP), as policing partners, are responsible for providing policing services across all of the Halifax Regional Municipality.

Working together, these agencies strive to provide safety, peace and order in the community.



Halifax Regional Police Service Areas

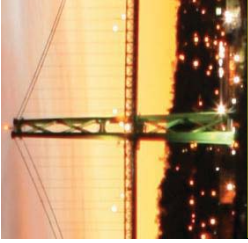
Chief's Office

- Includes sections for audit and policy development, professional standards, exhibits-quartermaster, facilities, lost/found property services, and manages the contract with the Corp of Commissionaires.

Operational Support

Includes the following sections:

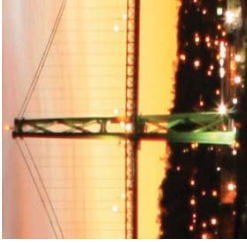
- **Administration** - Provides Financial, Human Resources, Fleet, Employee Family Assistance, SOT Services



Halifax Regional Police Service Areas Cont'd.

Operational Support Cont'd.

- **Support Division** - Provides support services relative to training, records court files, booking, and the school crossing guard program.
- **Integrated Emergency Services (IES)** - Provides 911 emergency call-taking for all calls within HRM, non-emergency call taking for Halifax Regional Police and Halifax Regional Fire and Emergency and dispatch services for HRP, HRFE and RCMP Halifax District.

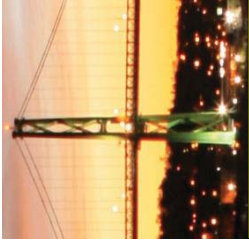


Halifax Regional Police Service Areas Cont'd.

Operations

Includes the following sections:

- **Patrol Divisions (Central, East & West)** - Provides 24/7 uniformed patrol and response by HRP/RCMP to emergency and non-emergency calls. Also includes the Quick Response Unit, Street Crime Enforcement Unit and the integrated K-9 Unit (Police Service Dog).
- **Criminal Investigation (Integrated Units)** - This Division is integrated with HRP and RCMP members working together as one team providing service across all of HRM. It provides specialized investigative services such as General Investigation, Major Crime, Financial Crime, Vice, HRP Forensic Identification, Drugs, Cold Case, Sexual Assault, High Risk Offender Enforcement, Computer Forensics and Internet Child Exploitation.



Halifax Regional Police Service Areas Cont'd.

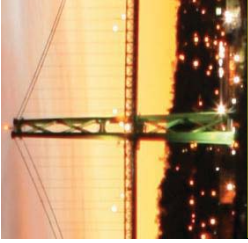
Operations Cont'd.

Public Safety Office - This service is comprised of a Public Safety Officer; Community Relations/Crime Prevention office (including School Officers, Volunteer Services and Victim Services); Traffic Section; Mobile Mental Health Team; Community Response Team and City Watch.



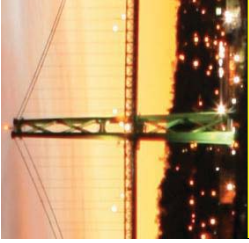
12/13 Operating Budget Overview

Cost Element Groups	2010-11 Budget	2011-12 Budget	2012-13 Budget	2012-13 Q3 Projection
Expenditures				
* Compensation and Benefits	66,110,410	69,294,600	71,150,900	71,556,400
* Office	664,790	843,600	778,600	776,400
* External Services	1,544,500	2,341,700	2,336,200	2,506,800
* Supplies	465,170	492,400	477,400	469,100
* Materials				7,400
* Building Costs	58,600	113,400	96,400	71,600
* Equipment & Communications	1,397,844	1,415,600	1,363,000	1,374,700
* Vehicle Expense	113,100	112,100	91,000	5,700
* Other Goods & Services	1,279,838	1,225,000	1,212,600	1,322,300
* Interdepartmental	1,762,564	1,873,100		(28,800)
* Debt Service				
* Other Fiscal	422,800	428,300	(274,700)	134,900
** Total	73,819,616	78,139,800	77,231,400	78,196,500
Revenues				
* Tax Revenue				
* Area Rate Revenue	(13,500)	(14,400)	(14,400)	(14,500)
* Fee Revenues	(561,400)	(508,900)	(566,000)	(711,000)
* Other Revenue	(7,219,500)	(5,729,200)	(6,737,300)	(7,566,800)
** Total	(7,794,400)	(6,252,500)	(7,317,700)	(8,292,300)
Net Budget	66,025,216	71,887,300	69,913,700	69,904,200



Service Area Budget Overview

Net Halifax Regional Police Expenses by Service Area	10/11 Budget	11/12 Budget	12/13 Budget	Q3 Projection
Chief's Office	4,678,290	4,731,400	4,402,200	4,525,900
Operational Support	15,724,096	17,020,300	14,798,300	14,178,000
Operations Division	45,622,830	50,135,600	50,713,200	51,200,300
Halifax Regional Police Net Expenses	66,025,216	71,887,300	69,913,700	69,904,200

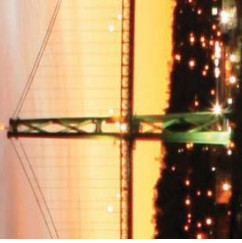


Year to Year Base Comparison

12/13 Services at 13/14 Costs including Inflation, Contracts, etc.

Service Area	12/13 Budget	13/14 Cost	13/14 Proposed
Chief's Office	4,402,200	285,800	4,688,000
Operational Support	14,798,300	442,000	15,240,300
Operations	50,713,200	2,738,700	53,451,900
Business Unit Total	69,913,700	3,466,500	73,380,200

Budget Gap	4.96%
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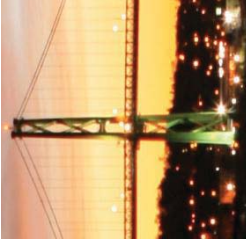
Year to Year Base Comparison

Cont'd

Key Cost Driver	2009-10	2010-11	2011-12	2012-13	2013-14
Total Compensation	62,786,800	66,110,410	69,294,600	71,150,900	74,247,300**
Total Gross Expenditures	70,704,540	73,819,616	78,139,800	77,231,400	80,988,300
Compensation as a % of Total Gross Expenditures	88.80%	89.56%	88.68%	92.13%	91.68%
Budgeted Full-Time Equivalents (FTE's)	750.5	747.5	702*	702	697

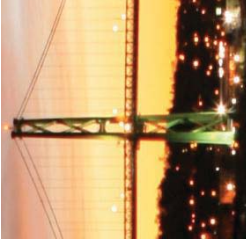
* 46 Community Projects FTE's were transferred to Community Development and Recreation during the 2010/11 fiscal year.

** HSPA Collective Agreement – Sworn and Civilian employee salary increase of 3.73% as of April 1, 2013, and 45.92% in total since the signing of the collective agreement effective April 1, 2003.



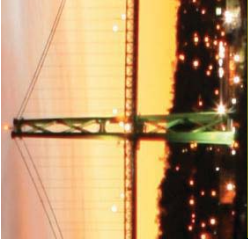
13/14 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 13/14 Saving	Projected 14/15 Saving	Projected 15/16 Saving
LT Fleet Rentals – Over the past two years, existing fleet has become diversified, thus eliminating the need for rental vehicles.	75,300	0	0
Rationalization of Senior Management	142,500	294,000	0
Rationalization of Civilian Staff	226,100	0	0
Conversion of sworn positions to civilian	119,000	163,900	212,500
Total to offset Base Cost Increase	562,900	457,900	212,500



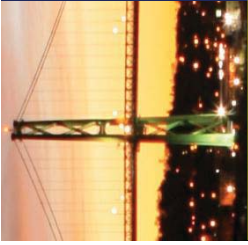
13/14 Priority Initiatives

Priority Alignment	Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost
Healthy Communities- Public Safety Organizational Capacity – Leadership and Succession Planning	Develop a ten year strategic plan that will examine organizational structure and change, service delivery, succession management and the overall future direction of HRP	N/A	N/A	N/A
Healthy Communities – Public Safety Governance and Communications – Communications with citizens and stakeholders	Continue to advance the work done through the Public Safety Office and prepare a report card on progress as it relates to the Mayor’s Roundtable on Violence.	N/A	N/A	N/A
Healthy Communities – Public Safety	Reduce Crime by 3% (property and person crime) utilizing a joint Comstat crime reduction strategy in all divisions and with the RCMP.	N/A	N/A	N/A



13/14 Priority Initiatives

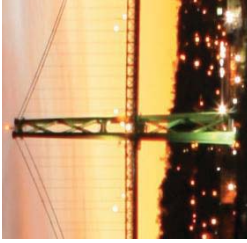
Priority Alignment	Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost
Financial Stewardship – Financial Management	Negotiate HRP contract re-opener	\$250,000* Funded through Fiscal	TBD	TBD
Financial Stewardship – Financial management Excellence in Service Delivery – continuous improvement	Financial management of HRP resources and overtime	N/A	N/A	N/A
Organizational Capacity – Information Technology Governance and Communications – communications with citizens and stakeholders	Leveraging technology to expand the crime mapping system to further communicate crime trends to the public and other stakeholders	N/A	N/A	N/A



13/14 New or Expanded Services

***2013/14 New or Expanded Service costs have been included in proposed net budget figure identified in previous slides.*

Priority Alignment	New or Expanded Service	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost
Healthy Communities – Public Safety Organizational Capacity – Information Technology Excellence in Service Delivery – continuous improvement Governance and Communications – communications with citizens and stakeholders Financial Stewardship – Financial management	Funding for rising costs of Police specialized IT requirements (software licenses, maintenance programs, warranty, upgrades, etc.)	10,700	11,800	13,000
Healthy Communities – Public Safety Excellence in Service Delivery – continuous improvement Governance and Communications – communications with citizens and stakeholders Financial Stewardship – Financial management	Increase specialized and serious investigations (wire taps, witness protection, source program)	505,000	505,200	505,500



13/14 New or Expanded Services Cont'd

*** 2013/14 New or Expanded Service costs have been included in proposed budget figure identified in previous slides.*

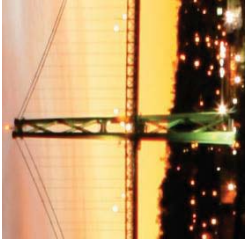
Priority Alignment	New or Expanded Service	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost
Healthy Communities – Public Safety Excellence in Service Delivery – continuous improvement	Specialized Equipment for specialized teams including Emergency Response Team (ERT), Public Safety Unit (PSU), etc. These teams are used to respond to very specific and serious situations, requiring specialized equipment and controls.	57,000	12,000	12,000
Healthy Communities – Public Safety Excellence in Service Delivery – continuous improvement	Overtime/Court Time – Historically underfunded. Annual increase required for overtime and court time at the same rate as is determined for regular salaries.	254,400	149,300	155,300



Questions and Discussion

Halifax Regional Police

March 20, 2013



Budget Schedule

Milestone	Audit and Finance Committee Meeting
Revenue Targets	December 19
Debt & Reserve and Project Budget	January 16
Transit	January 30
TPW	February 13
P&I, Library, FICT, CAO, Legal, HR, AG	February 27
March Break	March 11 - 15
CRS, Fire, Police (HRP/RCMP)	March 20
Return if required	April 3
Consolidated Entities and Fiscal	April 17
Full Review of Budget	April 24
Table at Regional Council April 30	



Detailed Milestones

Business Unit	To Exec	Scrum	To Clerk	To A&F
Transit	Jan 18	Jan 21	Jan 23	January 30
TPW	Feb 1	Feb 4	Feb 6	February 13
P&I, Library, FICT, CAO, Legal, HR, AG	Feb 15	Feb 18	Feb 20	February 27
March Break March 11 - 15				
CRS, Fire, Police (HRP/RCMP)	March 8	March 11	March 13	March 20
Return if required	March 22	March 25	March 27	April 3
Consolidated Entities and Fiscal	April 5	April 8	April 10	April 17
Full Review of Budget	April 12	April 15	April 17	April 24
Table at Regional Council April 30 ??				