



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

## Item No. 11.1.7

Halifax Regional Council  
June 2, 2009

**TO:** Mayor Kelly and Members of Halifax Regional Council

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**SUBMITTED BY:**

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Dan English, Chief Administrative Officer

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Geri Kaiser, Deputy Chief Administrative Officer -  
Corporate Services & Strategy

**DATE:** 11 May 2009

**SUBJECT:** Provincially Funded Police Officers & Facility Lease Reserve - Q325

### ORIGIN

In the fall of 2006 the Province of Nova Scotia announced a plan to provide Policing for Municipalities across the Province. This report results from the additional space requirements made necessary by this expansion of police services and the need to segregate dedicated funding provided by the Province of Nova Scotia for the purpose of funding the salaries, space and equipment costs for incremental officers.

### RECOMMENDATION

It is recommended that the Business Case for the Provincially Funded Police Officers & Facility Lease Reserve - Q325 be approved to fund costs specifically attributable to the provincially funded officers.

## **BACKGROUND**

In 2006 the Province announced a plan to provide Policing for Municipalities across the Province. The Program to be rolled out over four years could add as many as 100 Police Officers (HRP and RCMP) for HRM.

## **DISCUSSION**

The lease approved by Halifax Regional Council in January 2007 resolved the space issue for HRP and RCMP with respect to the newly funded Police officers. The Province is providing funding of \$100,000 per officer annually. In 2007/08 22 officers were added to HRP's staff complement through this funding. Another 17 were added in 2008/09. This funding is more than sufficient to cover costs in the early years, however, no inflationary factor was added to address the rising cost of Police compensation and other ancillary costs (e.g. vehicles, radios, fuel, etc.) in the future. The purpose of this reserve is to create a fund with the surplus Provincial funds available in the early years to offset the costs not fully funded in the later years.

Although the current cash flow indicates the reserve will be in a deficit position in year 8 (2015/16) measures are being taken now to mitigate the problem. Avenues are currently being investigated to mitigate the shortfall in the event Provincial funding is not increased appropriately. The cash flow will be updated annually as actual costs change and budgeted reserve contributions and withdrawals are known.

## **BUDGET IMPLICATIONS**

There are no budget implications on the HRM General Rate until 2015/16. Reserve contributions will be based on actual surpluses at year end.

## **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

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

## **ALTERNATIVES**

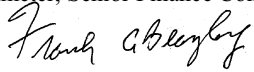
N/A


**ATTACHMENTS**

**Business Case for Provincially Funded Police Officers & Facility Lease Reserve**

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Tony Burbridge Deputy Chief of Police and  
Barb Palmeter, Senior Finance Consultant

Report Approved by:   
Frank Beazley, Chief of Police, Halifax Regional Police, 490-6500

Report Approved by:   
Cathie O'Toole, Director of Finance

# Reserves Business Case

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Halifax Regional Municipality • Corporate Services • Finance Division • 490-6470 • Fax: 490-6238

**Date:** June 2, 2009  
**Contact:** Chief of Police

## **Provincially Funded Police Officers & Facility Lease Reserve - Q325**

### **Purpose**

To segregate dedicated funding provided by the Province of Nova Scotia for the purpose of funding the salaries, space and equipment costs for incremental police officers.

### **Source of Funds**

The Reserve will be initially funded from a transfer from Police Cost Centre P316 in the amount of \$850,000. Additional funds will be contributed at the end of each fiscal year. The contribution will be calculated as the difference between the funds received from the Province of Nova Scotia and the expenditures required to pay for costs associated with the incremental police officers, cost centre P316. This Reserve will earn interest per the Reserve Policy.

### **Application of Funds**

This reserve will be used to fund costs specifically attributable to the provincially funded police officers. In 2007/08 22 police officers were funded. In 2008/09 17 additional police officers were funded. Costs may include salaries, benefits, accommodations (facilities), and equipment.

Incremental space required for the provincially funded officers may be shared by municipally funded police officers and/or RCMP. A proportionate share of expenditures will be provided by the HRM general tax revenue or the RCMP.

### **Time Line**

Ongoing with annual review.

### **Approval Process**

All requests for funds from this Reserve must be initiated by the Director of Finance and the Chief Administrative Officer. Confirmation will be made by Financial Services as to the availability of funds prior to going to Council for authorization.

Approval

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**CAO**

***Police Officers & Facility Lease Reserve - Q325  
Proposed Source and Application of Funds  
Beginning in Fiscal Year 2008/09***

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Opening Balance</b>		850,000	1,328,500	1,876,477	1,871,356	1,515,825	978,727	342,005	-441,828
Interest	0	25,500	39,855	56,294	56,141	45,475	29,362	10,260	-13,255
Contributions	850,000	453,000	508,122						
Withdrawals				-61,415	-411,672	-582,573	-666,084	-794,093	-1,066,691
<b>Closing Balance</b>	<b>850,000</b>	<b>1,328,500</b>	<b>1,876,477</b>	<b>1,871,356</b>	<b>1,515,825</b>	<b>978,727</b>	<b>342,005</b>	<b>-441,828</b>	<b>-1,521,774</b>

4.23%

\* Interest rate assumed to be 3.0%

Future years will be addressed as negotiations proceed with the Province for additional officers.