

To

Mr. Chairman

Members of A& A Committee

Mayor Eisenberger

January 18,2016

Index

<u>Description</u>	<u>Page Numbers</u>
Memo	1-3
<u>2013 Budget - Salary Contingency provision requirement for Contract Settlement</u>	
Detail memo to Police Board for total budget requirement. Specifically refer to Salary Contingency Provision amount and the contingency provision amount for the same item in Appendix "A"	4 - 8
Appendix "A"	9
Summary of all Accounts specifically including salaries, Contingency Amount (Differs in Memo and Appendix "A") and Court and Overtime combined with Salary Overtime.	10 - 12
By-Law 13-133 - specifically Separated Police Budget Levy and Police Services Board approved net Budget.	13
<u>2014 Budget - Salary Contingency provision requirement for Contract Settlement</u>	
Detail memo to Police Board for total budget requirement. Specifically refer to Salary Contingency Provision amount and the contingency provision amount for the same item in Appendix "A"	14 - 20
Appendix "A"	21
Summary of all Accounts specifically including salaries, Contingency Amount (Differs in Memo and Appendix "A") and Court and Overtime combined with Salary Overtime.	22 - 24
By-Law 14-103 - specifically Separated Police Budget Levy and Police Services Board approved net Budget.	25

**2015 Budget - Salary Contingency provision requirement
for Contract Settlement**

Detail memo to Police Board for total budget requirement. Specifically refer to Salary Contingency Provision amount and the contingency provision amount for the same item in Appendix "A"	26- 32
Appendix "A"	33
Summary of all Accounts specifically including salaries, Contingency Amount (Differs in Memo and Appendix "A") and Court and Overtime combined with Salary Overtime.	34-37
By-Law 15-121 - specifically Separated Police Budget Levy and Police Services Board approved net Budget.	38
<hr/>	
Percentage of Residential Tax	39
Manually Prepared Accruals for 2013 and 2014	40
Sample of Journal entries	41 -42

Shekar Chandrashekar

Date: January 11, 2016

Mr. Chairman, Councillor Aidan Johnson,
Members of A & A Committee, and
Mayor Eisenberger

Attention: Denis Farr, Legislative Coordinator

Dear Messrs.

Subject: To Bring to the Attention the A&A Committee a request to Enlarge the Scope of
the External Audit of Police Services Financial Operations.

The purpose of this memo is to bring to your attention the reasons for my concerns with respect to Hamilton Police Services financial operations and to request that the scope of the external audit be expanded.

There is conflicting interpretation of the responsibility for police services records. Section 39 of the Police Act applies to financial matters but it only addresses budgeting and **not accounting**. All police services accounting transactions go through city books. The accounting records are the documents that are not only used in the formulation of the financial statements but they are also monitored and consolidated with city financial statements in accordance with the Municipal Act. Nevertheless, through my FOI requests, it became apparent that a financial operation is subject to "interpretation" by the City. I am requesting your committee to clarify ownership of financial records, that is, the City or Police Services, to conclusively eliminate subjective "interpretations". I have supporting evidentiary documents to maintain my interpretation that it is the City's responsibility.

As you are aware, Hamilton Police Services financial operations have not been subject to external audit in spite of the fact that **20% of the residential tax levy** is applied to police services. Although Police Services budgets are available on their website, their actual results are not published and are not even provided to their Police Services Board. I requested certain financial information through freedom of information (FOI) and was **repeatedly denied** the requested information with the result that I was forced to proceed to appeals to the Information and Privacy Commissioners' office (IPC). That office intervened with tenacity because Police Services repeatedly and persistently denied access to the accounting records that I requested. I spent a significant amount of my own funds on these efforts.

Through the efforts of the IPC, I was provided with accounting records. I have analyzed those records in order to compare actual expenditures to budgeted amounts. Actual expenditures are the key to formulating financial statements and to assessing the soundness and accuracy of the approved budgeted base. My analysis revealed a number of budgeted items that were significantly inconsistent with the actual results. I have

highlighted a few on which I have predominantly concentrated. All appropriate supporting documents are attached.

It is my concern that the approval of the HPS budget by the Hamilton Police Services Board is predominantly based on the budget memo, Appendix "A" and the percentage increase / decrease without a close examination of the detailed summary of accounts. The summary of accounts is recorded in their Available Funds Report, and HPS only presents their budget to the Board a few days before their regular meeting. There are **three** board members who are elected representatives from the city, including the Mayor. **The same three are accustomed to take the time to extensively examine the City Budget line by line before approving the City Budget.** That is the accepted procedure in the performance of their duties as representatives of their taxpayers. The question then becomes, why isn't the same degree of attention applied to the Police Services budget considering the size of that budget? That is because **literally no time is given** for that process.

One of my concerns is the accumulation of a contingency for the settlement of the union contract that was budgeted for during the period of contract negotiations from 2013 to 2015 when the contract was settled. The provisions exceeded \$2M annually. The items in question are:

- Projected Salary Contingency for 2013, including Levy and
- Compensation Contingency Contract, Merit increases for 2014, including Levy and
- Compensation Contingency Contract, Merit increases for 2015 including Levy

The provisions were charged directly to the accounts instead of being accumulated and carried forward pending the settlement. I have attached **detailed journal entries** that show how the contingencies should have been carried forward **from one year to the next.** My suggestion is that these cumbersome journal entries could have been avoided had these budgeted amounts and provisions been transferred to Reserve accounts directly each year. Reserves are **interest bearing** and they would have earned a significant amount of interest. **As result of not making such an entry each year, police services lost a significant amount of interest.**

Furthermore, a statement of accrual of these contingencies **manually prepared** by police services staff does not reconcile to the actual records. A copy is attached. This warrants further examination.

Another concern is that a **new centre, 376331, was created in 2016 that contains salary account 51001 in the amount of \$1,267,049. Is it in question?** The following schedule is shows how **Salary Contingency has been used to create this new centre in the 2016 budget although is has not been mentioned in the letter of transmittal / memo.**

Court Doc.- centre 376330	2013	2014	2015	2016	Decrease Transf'd to new centre
Budget – a/c 51001	\$2,125,850	\$2,125,850	\$2,174,860	\$1,126,156	(\$1,126,156)
Salary Cont.- a/c 52870	84,820	780,620	850,920	0	

On December 11, 2015, there was a PSB meeting to approve the 2016 current Operating Budget. One of the board members, **Councillor Whitehead**, raised a question as to why the detailed budget shows a salary overtime budget but the overtime budget does not show up separately on summary page 51. Councillor Whitehead's **had a valid question**. In accounting principles, salary overtime account 51006 and overtime banked paid account 51741 **are two separate accounts** and as such 51006 and 51741 are significant amounts and are to be budgeted separately to help decision makers arrive at prudent decisions.

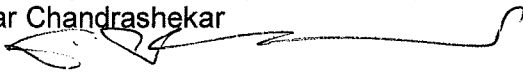
Account	2013	2014	2015	2016
Overtime banked and paid 51741	\$2,150,650	\$2,169,130	\$2,201,560	\$2,292,307
Salaries overtime 51006	1,127,270	1,147,550	1,148,070	1,230,050
Total	\$3,277,920	\$3,316,680	\$3,349,630	\$3,522,357

These are only a few of the concerns that arose from my examination of the accounting records of HPS and I request **that you direct the external auditors to address these issues**.

Over the years, the base budget has significantly increased and I believe that is because the previous years' actual results have not been supplied for analysis and comparison with the previous years' budgets. Since the current year is not finalized at the time the next year's budget is proposed, the current year estimated actuals should also be provided at the time of budget deliberation as well as a schedule of increases and decreases from budgeted amounts. This is where **external auditors have a major role** and it is one of the reasons for **requesting an external audit**.

In my opinion, as a concerned private Citizen, it is not too late to reduce HPS 2016 budget **by two (2) million dollars, which includes the employer's share of the union president's salary per article 8 of the Association Agreement. The budget reduction would not reduce their service level and would not affect the hiring of 7.5 full time employees**. I had offered my help to former Chief and to meet with Acting Chief and with the team who helped compile the 2016 budget.

Respectfully submitted by concerned private citizen
Shekar Chandrashekar



CC:ppciapanna@kpmg.ca

louellette@kpmg.ca

Enclosures:


HAMILTON POLICE SERVICES BOARD

- RECOMMENDATION -

DATE: 2013 April 15
REPORT TO: Chair and Members
Hamilton Police Services Board
FROM: Glenn De Caire
Chief of Police
SUBJECT: 2013 Hamilton Police Service Operating Budget
(PSB 12-109d)

RECOMMENDATION:

That the Hamilton Police Services Board approve the 2013 Hamilton Police Service Operating Budget, as amended.



Glenn De Caire
Chief of Police**FINANCIAL / STAFFING / LEGAL IMPLICATIONS:**

FINANCIAL – The 2013 Budget, as amended, represents a 3.52% increase over the 2012 Budget. The summary of the 2013 Budget is identified in Appendix A.

STAFFING – The 2013 Budget includes a recommended increase in authorized strength of fifteen (15) Sworn Officers and one (1) full-time Civilian member.

LEGAL – The budget process is outlined in section 39 of the *Police Services Act*. Subsection 39(3) mandates that the Council shall establish an overall budget for the Board for the purpose of maintaining the police force and to provide the force with the equipment and facilities, and pay the expenses of the Board's operation. Upon reviewing the budget, Council is not bound to adopt the estimates submitted by the Board. However, Council does not have the authority in law to approve or

disapprove any specific item(s) in the budget estimates [subsection 39(4)]. If the Board is not satisfied that the budget established for it by the council is sufficient to maintain an adequate number of police officers or other employees of the polices service or to provide the police service with adequate equipment or facilities, the Board may request that the Ontario Civilian Police Commission determine the question and the Commission, shall, after a hearing, do so [subsection 39(5)].

BACKGROUND:

The Hamilton Police Service 2013 Budget (PSB #12-109) was presented at the November 27, 2012 meeting of the Hamilton Police Services Board. As presented, the 2013 net budget request of \$142,763,030 represented a \$7,121,490 or 5.25% increase over the 2012 budget. The 2013 budget included a recommended increase in authorized strength of twenty (20) Sworn Officers and one (1) full-time Civilian member. The estimated cost of salaries and benefits for the twenty (20) Sworn Officers was \$1,535,040 or 1.13% and the estimated cost of salaries and benefits for the one (1) Civilian member was \$66,370 or 0.05%. The Hamilton Police Services Board approved a resolution to receive the budget report and to refer it back to the Board for further review.

An amended budget (PSB #12-109a) was presented to the Hamilton Police Services Board at its meeting of December 17, 2012. The amended budget request was for \$142,083,550 which amounted to a \$6,442,010 or 4.75% increase over 2012. The total reduction from PSB #12-109 was \$679,480 or 0.50%. The reduction was achieved by phasing-in the hiring of the twenty (20) Sworn officers throughout 2013 (January- 5 officers, May-5 officers, September-10 officers) which resulted in a reduction of \$639,480 or 0.47%. This had the effect of transitioning the financial impact of the hiring of the Sworn Officers between 2013 and 2014 with an impact of 0.66% on the 2013 budget and an impact of 0.47% on the 2014 budget. Additional savings of \$40,000 or 0.03% was achieved in the 2013 budget through the reduction of Human Resources program expenditures. The Hamilton Police Services Board approved a resolution to refer the budget back to the Hamilton Police Service to review for further savings.

A second amended budget (PSB #12-109b) was presented to the Hamilton Police Services Board at its meeting of January 21, 2013. The amended budget request was for \$140,932,240 which amounted to a \$5,290,700 or 3.90% increase over 2012. The total reduction from PSB #12-109a was \$1,151,310 or 0.85%. Further deferring the hiring of the officers (May-10 officers, September-10 officers) resulted in a reduction of \$127,940 or 0.09%. This had the effect of further transitioning the impact of the hiring of the Sworn Officers between 2013 and 2014 with an equal impact of 0.565% each year. Other budget mitigating measures included the reduction of equipment and supplies of \$635,470 or

0.47% which was slightly offset by a job reclassification and an increase in part-time wages totaling \$47,400 or 0.03%. The budget was also reduced through an increase in Transfer from Reserves of \$250,000 or 0.18% and an estimated increase in police clearance revenue of \$130,000 or 0.10%. Further budget reductions were made in overtime and sick leave totaling \$55,300 or 0.04%. The Hamilton Police Services Board approved the budget at a 3.90% increase as presented in PSB#12-109b.

A third amended budget (PSB #12-109c) was presented to the Hamilton Police Services Board at its meeting of February 19, 2013. Subsequent to the approval of PSB #12-109b, the Hamilton Police Service was notified by the Ontario Police College of the cancellation of the Basic Constable Training course scheduled for May, 2013. Consequently, the Hamilton Police Service had to defer the hiring of ten (10) Sworn Officers in May to September. Accordingly, the hiring of all twenty (20) Sworn Officers in September resulted in a further reduction of the 2013 budget request of \$255,870 or 0.19%. The hiring of all twenty (20) Sworn Officers in September, 2013, had the effect of transitioning the financial impact of the increased staffing by 0.38% in the 2013 budget and by 0.75% in the 2014 budget. The Police Services Board approved the amended budget of \$140,676,370 which represented a \$5,034,830 or 3.71% over 2012.

The Hamilton Police Service presented the 2013 budget approved by the Board at 3.71% to the City of Hamilton General Issues Committee at its meeting of February 21, 2013. Deliberations included inquiries about the percentage budget increase for a maintenance budget and the percentage budget increase if the Board approved 3.71% budget did not include the cost of the twenty (20) Sworn Officers. The General Issues Committee tabled the Hamilton Police Service 2013 budget for further discussion.

The City of Hamilton General Issues Committee continued its deliberations of the Hamilton Police Service 2013 budget at its meetings of March 7, 2013 and March 21, 2013 with discussion focusing on what a maintenance budget increase would be as a percentage increase. At its meeting of April 3, 2013, the City of Hamilton General Issues Committee approved a motion to establish the Hamilton Police Service 2013 budget at \$140,414,620 or 3.52%. The preamble to the motion expressed the desire of Council that the 3.52% increase was to be exclusive of staffing increases and was not to include the additional transfer from reserves of \$250,000 as approved by the Police Services Board in PSB #12-109b. As the Board is aware, subsection 39(3) of the *Police Services Act* mandates that Council shall establish an overall budget for the Board for the purpose of maintaining the police force and to provide the force with the equipment and facilities, and pay the expenses of the Boards operation. Upon reviewing the budget, Council is not bound to adopt the estimates submitted by the Board. However, subsection 39(4) of the Act states that Council, in establishing the overall budget for the Board, does not have the authority to approve or disapprove any specific items in the budget estimates.

The difference between the budget approved by the Police Services Board in PSB #12-109c at \$140,676,370 or 3.71% and the budget approved by the City of Hamilton General Issues Committee at \$140,414,620 or 3.52% is \$261,750. The difference, as approved through the City of Hamilton General Issues Committee, is represented by a \$511,750 decrease in staffing enhancements and a reduction of \$250,000 in transfer from reserves to result in a net \$261,750 decrease from the budget as approved by the Police Services Board in PSB #12-109c.

From the beginning of the 2013 budget process, the Hamilton Police Service has been committed to addressing the operational needs of Service and, in particular, the needs of our front-line officers. The City of Hamilton setting the Hamilton Police Service 2013 budget at a level \$261,750 below the budget approved by the Police Services Board presents a challenge to the Hamilton Police Service to meet the City's budget target and to achieve the operational advantages that the hiring of twenty (20) Sworn Officers would have brought to the Service. Notwithstanding, the Hamilton Police Service continues to be committed to providing adequate and effective policing services to the community and, working within the City of Hamilton's budget target, the Service has strategized to develop a solution to maximize the hiring of Sworn Officers given the funding target.

To achieve the net reduction of \$261,750, the Hamilton Police Service is proposing a reduction in the recommended staffing increase from twenty (20) Sworn Officers to fifteen (15) Sworn Officers. The reduction of five (5) Sworn Officers will result in savings of \$127,930 in salaries and benefits in 2013. Accordingly, the impact of the September hiring of fifteen (15) Sworn Officers on the 2013 budget is \$383,820 or 0.28%. This will result in an incremental impact on the 2014 budget of \$767,460 or 0.57%. The total annualized cost of the fifteen (15) Sworn Officers is \$1,151,280.

In addition to the savings proposed for the reduction of the recommended staffing increase, the Hamilton Police Service is recommending to reduce Human Resources program expenditures by \$116,580 related to the provision for job evaluations. The Service is also recommending elimination of the contribution to capital project funding of \$216,570 which was proposed in the 2013 budget process. Further, the Service is recommending the reduction of operating expenses in the Investigative Services Division and the Procurement and Supply Services Branch totaling \$50,670. The combined reduction of these non-salary and benefit related expenditures of \$383,820 along with the staffing reduction of \$127,930 results in a reduction of expenditures of \$511,750. The reduction of expenditures of \$511,750 is offset by the reduction in transfer from reserves of \$250,000 to achieve the net reduction target of \$261,750.

Conclusion

The Hamilton Police Service net budget request for 2013, as amended, is \$140,414,620 which represents a \$4,773,080 or 3.52% increase over 2012. The amended budget request of \$140,414,620 is a reduction of \$2,348,410 or 1.73% from the budget as originally presented in PSB #12-109. The amended 2013 Budget, as presented, addresses the statutory requirements set out in section 4 of the *Police Services Act* for the provision of adequate and effective police services in the City of Hamilton.

GD/T. Mason

Attachment: *Appendix A*

**Hamilton Police Service
2013 Budget Analysis**

2013 Budget	\$140,414,620	
2012 Budget	\$135,641,540	
Increase - Sal/Ben	\$5,408,550	3.99%
Increase - Other Exp	(\$455,110)	-0.34%
Increase - Revenues	(\$180,360)	-0.13%
Total Increase	\$4,773,080	3.52%

<u>Expenditure/Description</u>	<u>Incr/(Decr) over 2012 Budget</u>	<u>Percentage Incr/(Decr) over 2012 Total Budget</u>
Salaries		
Staffing Enhancements:		
Constables (15 new hires) - Benefits below	\$298,260	0.22%
Civilian (1) Action Team Stenographer	\$50,960	0.04%
Total Salaries Staffing Enhancements	\$349,220	0.26%
Projected Salary Contingency	\$2,836,130	2.09%
Overtime Reduction	(\$26,000)	-0.02%
Sick Leave Reduction	(\$29,300)	-0.02%
Job Reclassification- Facility Technician	\$12,400	0.01%
Part-Time Wages (resulting in reduction of Facilities expenditures)	\$35,000	0.03%
Total Salaries	\$3,177,450	2.35%
Employee Benefits		
Staffing Enhancements:		
Benefits re: Constables (15 new hires)	\$85,560	0.06%
Benefits re: Action Team Stenographer (1)	\$15,410	0.01%
Total Benefits Staffing Enhancements	\$100,970	0.07%
OMERS	\$1,178,980	0.87%
Government Benefits-CPP/EI/EHT	\$337,190	0.25%
Employer Benefits-Health&Dental/Group Life	\$274,450	0.20%
Retiree Benefits	\$339,510	0.25%
Total Employee Benefits	\$2,231,100	1.64%
Total Salaries and Benefits	\$5,408,550	3.99%

DESCRIPTION	Account Number	2012	2013	RECOMM.	2013	%	
		MAINT. BUDGET	MAINT. BUDGET	PROGRAM CHANGES	BUDGET	INCREASE	
EXPENDITURES							
Salaries	51001	94,131,300	94,131,300	349,230	94,480,530	0.37%	349,230
Salaries and Benefits Contingency	52870	0	4,592,880	0	4,592,880	#N/A	4,592,880
Part Time Wages	51101	1,454,400	1,454,400	0	1,454,400	0.00%	0
Court & Overtime	51741	3,283,310	3,277,920	0	3,277,920	0.45%	14,810
Other Employee Allowances	51901	117,700	119,350	0	119,350	1.40%	1,850
Members Remuneration	51727	44,420	44,420	0	44,420	0.00%	0
Service Pay	51731	180,800	175,800	0	175,800	-2.88%	(5,200)
Pension-OMERS	51602	10,570,750	10,573,240	35,480	10,808,720	0.36%	37,970
Government Benefits	51811	5,535,870	5,535,870	27,900	5,583,470	0.50%	27,900
Employer Benefits	51815	8,537,380	8,537,380	37,580	8,574,940	0.57%	37,580
Employer Benefits- Retired Members	51815	1,981,830	2,321,340	0	2,321,340	17.13%	339,510
Accumulated Sick Leave	51807	1,024,420	1,024,420	0	1,024,420	0.00%	0
Vacation Pay	51708	511,500	524,240	0	524,240	2.49%	12,740
Pay In Lieu of Benefits	51821	203,870	203,870	0	203,870	0.00%	0
Car Allowance	51905	19,510	19,510	0	19,510	0.00%	0
		125,576,840	130,535,000	450,180	130,985,180		5,408,560
Clothing Allowance	51902	154,500	160,000	0	160,000	3.58%	5,500
Meal Allowance	51908	38,480	38,480	0	38,480	0.00%	0
Provision for Labour Relations	52870	0	0	0	0	#N/A	0
Office Supplies	53050	281,480	288,710	0	288,710	2.58%	7,250
Office Equipment	53440	2,970	2,970	0	2,970	0.00%	0
Office Furniture/Fixtures	53591	103,410	82,510	0	82,510	-39.55%	(40,900)
Computer Hardware	53405	304,970	169,780	0	169,780	-44.34%	(135,210)
Computer Software	53251	388,800	513,000	0	513,000	32.01%	124,400
Identification Supplies	53025	15,500	18,700	0	18,700	7.74%	1,200
Cleaning Supplies	53059	65,710	55,710	0	55,710	-15.22%	(10,000)
Fuel-Unleaded Gasoline	54130	1,285,000	1,412,890	0	1,412,890	9.95%	127,890
New Tires and Tubes	54070	115,000	115,000	0	115,000	0.00%	0
Oil & Lubricants	54040	12,800	12,800	0	12,800	0.00%	0
Uniforms	53940	349,700	328,300	45,000	371,300	8.18%	21,800
Reefer Jackets	53942	34,500	52,000	0	52,000	50.72%	17,500
Shirts	53943	57,400	55,000	0	55,000	-4.18%	(2,400)
Footwear	53910	60,000	57,000	0	57,000	-5.00%	(3,000)
Miscellaneous Supplies	53039	188,800	202,800	0	202,800	20.14%	34,000
Transfer to Reserve (Vehicle Purchases)	58102	1,551,000	1,470,000	0	1,470,000	-5.22%	(81,000)
Operating Expenses	53131	1,208,250	1,143,720	0	1,143,720	-5.18%	(62,530)
Food for Prisoners	53807	38,980	38,980	0	38,980	0.00%	0
Ammunition	53005	124,010	124,010	0	124,010	0.00%	0
Explosive Disposal Unit	53010	48,050	31,300	0	31,300	-34.88%	(16,750)
Equipment	53415	333,810	493,750	0	493,750	47.91%	159,940
E.R.U. Equipment	53458	70,290	70,290	0	70,290	0.00%	0
Investigative Expenses	54361	47,500	47,500	0	47,500	0.00%	0
Personnel Tests	53125	5,390	10,390	0	10,390	92.78%	5,000
Repairs- Auto Equipment	55135	858,000	858,000	0	858,000	0.00%	0
Maintenance Contracts	54930	4,000	4,000	0	4,000	0.00%	0
Repairs Tires/Tows/Washes	54720	91,410	91,410	0	91,410	0.00%	0
Repairs - Communications	54715	150,080	95,080	0	95,080	-38.85%	(55,000)
Repairs-Buildings	54401	1,115,410	731,730	0	731,730	-34.40%	(383,680)
Horticultural Services	54810	114,440	114,440	0	114,440	0.00%	0

Rent-Operating Equipment	55385	147,000	147,000	0	147,000	0.00%	0
Rent - Office & Buildings	55358	58,160	64,450	0	64,450	10.81%	6,290
Rent Pagers	55370	8,600	3,000	0	3,000	-55.88%	(3,600)
Rent - Air Cards	55331	88,700	88,700	0	88,700	0.00%	0
Rent - Cellulars Phones	55332	173,320	173,500	0	173,500	0.10%	180
Equipment Lease/Rental	55310	5,980	5,980	0	5,980	0.00%	0
Data Lines	58110	70,810	70,810	0	70,810	0.00%	0
Heating Fuel	58115	228,940	228,940	0	228,940	0.00%	0
Water & Sewer	58180	45,280	48,770	0	48,770	3.29%	1,490
Telephone	58145	481,330	541,330	0	541,330	12.47%	60,000
C.A.-IP Telephony	58147	870	280	0	280	-81.19%	(410)
Other Utilities	58120	542,240	546,840	0	548,840	0.85%	4,600
Postage	55808	58,970	58,970	0	58,970	0.00%	0
Advertising & Promotion	55401	122,810	102,590	0	102,590	-16.46%	(20,220)
Consulting Services	55801	4,880	4,880	0	4,880	0.00%	0
Medical /Lab Fees	55780	7,000	7,000	0	7,000	0.00%	0
Medical Fees	55780	40,000	43,250	0	43,250	8.13%	3,250
Legal Fees	52425	145,310	145,310	0	145,310	0.00%	0
Material Testing Fees	55758	2,500	2,500	0	2,500	0.00%	0
Repair/Maintenance - Computer	54705	532,880	587,880	0	587,880	10.32%	55,000
Contractual Services	55918	287,000	230,790	0	230,790	-19.59%	(56,210)
Window Cleaning	54880	860	700	0	700	8.08%	40
Laundry/Dry Cleaning Service	54815	95,000	95,000	0	95,000	0.00%	0
Employee Parking	58510	82,000	90,000	0	90,000	9.76%	8,000
Transport for Prisoners	58830	10,000	10,000	0	10,000	0.00%	0
Training Courses	58401	795,510	801,170	0	801,170	0.71%	5,660
Auxiliary	54382	50,510	55,510	0	55,510	9.90%	5,000
Membership Fees	55784	30,910	31,950	0	31,950	3.38%	1,040
Police Dogs	54370	19,530	27,030	0	27,030	38.40%	7,500
EAP	54224	87,550	98,970	0	98,970	13.04%	11,420
Police Male Chorus	58201	8,000	8,000	0	8,000	0.00%	0
Police Choir	58201	7,300	7,300	0	7,300	0.00%	0
Police Pipe Band	58201	15,000	15,000	0	15,000	0.00%	0
Honour Guard	58201	4,000	8,000	0	8,000	50.00%	2,000
C.A.-Communications	58934	880,250	880,250	0	880,250	0.00%	0
C.A. -IND Fin Accounting Services Recovery	58410	55,130	55,880	0	55,880	1.00%	550
C.A. -IND Fin Application Support Recovery	58411	18,030	18,210	0	18,210	1.00%	180
C.A. -IND Fin Payroll Recovery	58412	128,180	128,480	0	128,480	1.00%	1,280
C.A. -IND Fin Accounts Payable Recovery	58413	55,750	58,310	0	58,310	1.00%	580
C.A. -IND Fin Purchasing Recovery	58414	83,880	84,700	0	84,700	1.00%	840
C.A. -IND Fin Accounts Receivable Recovery	58415	1,480	1,500	0	1,500	1.35%	20
C.A. -IND Current Budgets Recovery	58421	50,980	51,500	0	51,500	1.00%	510
C.A. -IND Information Services Recovery	58430	30,300	30,800	0	30,800	0.99%	300
C.A. -IND Legal Services Recovery	58440	44,870	45,120	0	45,120	1.01%	450
C.A. - Postage & Printing	55810	1,370	1,370	0	1,370	0.00%	0
C.A.-Insurance	58448	1,354,580	1,308,950	0	1,308,950	-3.52%	(47,630)
CA- W.S.I.B.	51898	1,137,750	1,175,800	0	1,175,800	3.33%	37,850
C.A.-Hardware Lease/Maintenance	58433	218,090	180,000	0	180,000	-17.47%	(38,090)
C.A.-Capital App Server	58435	800	800	0	800	0.00%	0
TOTAL OPERATING EXPENDITURES		142,683,800	147,338,820	495,190	147,833,810	3.62%	5,170,010

CAPITAL FINANCING EXPENDITURES

Debt Charges	52010	1,349,550	1,021,680	0	1,021,680	-24.29%	(327,870)
Transfer To Reserve From Current	58002	0	0	0	0	#N/A	0
TOTAL GROSS CAPITAL FINANCING		1,349,550	1,021,680	0	1,021,680	-24.29%	(327,870)
Recovery from Dev Charge Reve	47117	(420,380)	(309,030)	0	(309,030)	-28.48%	111,300
NET CAPITAL FINANCING EXPENDITURES		929,220	712,650	0	712,650	-23.31%	(216,570)
Sub Total		143,693,020	148,051,270	495,190	148,546,480	3.45%	4,953,440
Police Tax Stabilization Reserve		(150,000)	(150,000)	0	(150,000)	0.00%	0
		143,443,020	147,901,270	495,190	148,396,480	3.45%	4,953,440

REVENUES

FEDERAL POLICE OFFICERS GRANT	43550	490,000	122,500	0	122,500	-75.00%	(367,500)
COMMUNITY POLICING PARTNERSHIP GRANT	43560	870,000	870,000	0	870,000	0.00%	0
PROVINCIAL SAFER COMMUNITIES GRANT	43560	1,330,000	1,330,000	0	1,330,000	0.00%	0
Witness Fees	45534	2,500	2,500	0	2,500	0.00%	0
Transportation of Prisoners	45837	20,000	20,000	0	20,000	0.00%	0
Police Fees from Province	43459	1,992,880	2,887,820	0	2,887,820	35.55%	704,940
Police Fees	45573	915,500	844,400	0	844,400	-29.81%	(271,100)
Police Fees Special Duty Administration	45572	200,000	200,000	0	200,000	0.00%	0
Police Visa Clearances	45575	689,000	789,000	0	789,000	19.81%	130,000
From Vehicle Reserve	47113	150,000	125,000	0	125,000	-18.87%	(25,000)
From Capital Reserve	47113	250,000	225,000	0	225,000	-10.00%	(25,000)
Firearm Permits	47215	153,000	187,020	0	187,020	22.24%	34,020
Sale of Accident Reports	47809	100,000	100,000	0	100,000	0.00%	0
Gen. Occur/ID Photo Sales	47810	32,000	32,000	0	32,000	0.00%	0
Tow Fees	45833	150,000	150,000	0	150,000	0.00%	0
File Closure Fees	45509	3,000	3,000	0	3,000	0.00%	0
False Alarms Fees	45503	489,800	489,800	0	489,800	0.00%	0
TOTAL REVENUES		7,801,480	7,981,840	0	7,981,840	2.31%	180,360
To Be Met From General Levy		135,841,540	138,919,430	495,190	140,414,620	3.52%	4,773,080

CITY OF HAMILTON

BY-LAW NO. 13-133

Schedule "A"
Page 1 of 1

2013 OPERATING BUDGET	2013 LEVY
City Services	
Planning & Economic Development	17,275,650
Public Health Services	10,692,070
Community Services (includes Social Housing)	102,748,360
Hamilton Emergency Services	18,354,360
Public Works	185,602,411
Legislative	4,095,850
City Manager	10,085,014
Corporate Services	20,159,720
Outside Boards & Agencies	45,703,890
Community Partnership Program	3,212,200
Corporate Financials / Capital Financing	42,852,099
Sub-Total Property Tax Levy for City Services	460,781,624
Police Services	140,414,620
Non Program Revenues	(39,248,950)
Total Property Tax Levy for General Purposes	561,947,304
Area Rated Services	
Transit	36,775,710
Fire	80,228,120
Culture*	6,184,627
Recreation	32,898,033
Parkland Purchase	1,196,551
Sidewalks	2,222,748
Streetlights	5,727,345
Sidewalk Snow Removal	97,646
Total Property Tax Levy for Area Rated Services	165,330,780
Total Property Tax Levy Requirement	727,278,084
Re-investment for infrastructure renewal	10,071,652
TOTAL	737,349,736

* To be fully eliminated from area rating in 2014

Note: Each respective budget includes related Capital Financing

Anomalies in totals due to rounding


HAMILTON POLICE SERVICES BOARD

- RECOMMENDATION -

DATE: 2013 December 16
REPORT TO: Chairman and Members
Hamilton Police Services Board
FROM: Glenn De Caire
Chief of Police
SUBJECT: ~~2014~~ *Hamilton Police Service Operating Budget*
(PSB 13-127)

RECOMMENDATION:

That the Hamilton Police Service Board approve the 2014 Hamilton Police Service Operating Budget.



Glenn De Caire
Chief of Police

FINANCIAL / STAFFING / LEGAL IMPLICATIONS:

FINANCIAL – The 2014 budget as presented represents a 2.98% increase over the 2013 budget. The details of the 2014 budget are identified in Appendixes A-D.

STAFFING – n/a

LEGAL – n/a

BACKGROUND:

In accordance with Section 39 of the *Police Services Act*, the Police Services Board is required to approve annual budget allocations to provide the funding necessary for the operation of the police service. The annual budget along with strategic planning documents, including the Hamilton Police Service Business Plan, enables the Service to

establish and achieve its strategic priorities while meeting the policing needs of the City of Hamilton in an adequate, effective, and efficient manner.

The Hamilton Police Service has completed its 2014 Operating Budget process resulting in a net budget request of \$144.59 million. Total operating expenditures budgeted for 2014 is \$153.44 million which is offset by non-taxation revenue of \$8.85 million. This request represents an increase of \$4.18 million or 2.98% over the 2013 budget (Appendix A), the lowest budget request in the past 14 years.

The primary pressures on the 2014 Operating Budget are the estimated salary contingency enhancements for 2014 collective bargaining and the annualized costs of the sworn officers (15) hired in fall of 2013.

2014 Operating Budget Highlights

The Hamilton Police Service 2014 Operating Budget request is for \$4.18 million of new funding. Table 1 summarizes the key factors which result in the net increase of \$4.18 million. The changes in each of the categories in Table 1 are discussed in more detail in the sections that follow.

Table 1
2014 Operating Budget
(\$ millions)

Category	Incremental Budget Increase	
1. Salaries and Benefits	\$4.42	3.14%
2. Equipment, Supplies, Services	\$0.48	0.35%
3. Revenues (increase)	-\$0.72	-0.51%
Total Police Budget Increase	\$4.18	2.98%

The 2014 budget request of \$4.18 million or 2.98% increase is to provide adequate, effective, and efficient policing services for the City of Hamilton. To maintain 2013 service level, the budget request is \$4.07 million or 2.90% increase from 2013; a difference of approximately \$112,500 or .08%.

Salaries and Benefits - \$4.42 million increase

Policing is a people-based business and this is reflected in the composition of the 2014 Hamilton Police Service budget. Salaries and benefits account for \$135.4 million or 88.3% of the total 2014 budgeted expenditures of \$153.4 million. Consequently, compensation expenses represent the most significant budget pressure each year.

The Collective Agreements with both the Hamilton Police Association (HPA) and the Senior Officers Association (SOA) have expired. In the absence of a negotiated economic settlement for 2013 and 2014, it is necessary for the Service to establish a salary contingency estimating the economic impact of a Collective Agreement settlement. The budget impact on salaries and wages for 2014 is estimated at \$3.05 million or 2.17%. This estimated increase includes the effect of current contractual obligations including performance pay and rank progression for sworn officers along with civilian anniversaries and job evaluation increases.

The Hamilton Police Service continues to be dedicated to provide adequate, efficient, and effective policing for the City of Hamilton. The 7-year Strategic Staffing plan identified a need for additional sworn and civilian members in 2014. However, based on efficiencies achieved or anticipated from continuous internal workload initiatives, and efforts to reduce the impact on the 2014 budget, the service is maintaining its 2013 staffing levels; no additions to authorized strength in 2014.

The 2014 budget request does include the annualized cost of the new sworn hires (September 2013). The financial impact is \$0.79 million or 0.57%.

The other significant cost driver for 2014 is related to employee benefits and it continues to be OMERS contributions, and Government/Employer benefits. The increase is attributed to the combination of the annualized costs of the new sworn hires in 2013, the estimated salary contingency enhancements of a new collective agreement, performance pay, rank progression for sworn officers and civilian anniversaries and job evaluations. The combined incremental increase of these benefit costs in 2014 is approximately \$.57 million or 0.40%.

A summary of compensation cost drivers appears in Table 2.

Table 2
2014 Operating Budget
(\$ millions)

Compensation Items Salaries and Benefits	Incremental Budget Increase	
1. Salary Contingency	\$3.05	2.17%
2. Annualized New Members	\$0.79	0.57%
3. Pension Benefits (OMERS)	\$0.24	0.17%
4. Other Benefits	\$0.34	0.23%
Incremental Requirement 2013 Increase	\$4.42	3.14%

Equipment, Supplies, and Services - \$0.48 million increase

This represents the equipment, supplies, and services required for the provision of policing services.

The driving factors for the increase in 2014 include Fleet expenditures for vehicle fuel, and major repairs and maintenance at the East End and Mountain stations. In addition, City cost allocations for Insurance and WSIB have also significantly increased. Other increases for 2014 include Human Resources related expenditures, computer equipment and software, and other expenditures. A detailed listing of expenditure increases is provided in Appendix B.

As part of the budget preparation process, as directed by the Chief of Police, efforts were made to find efficiencies and reductions to ensure the development of a fiscally responsible budget. Cost savings have been achieved in a number of areas including facilities expenditures for repairs, contractual services, computer leases, and other equipment. A detailed listing of expenditure reductions is provided in Appendix C.

A summary of equipment, supplies, and services cost drivers appears in Table 3.

Table 3
2014 Operating Budget
(\$ millions)

Non-Compensation Items Equipment, Supplies, and Services	Incremental Budget Increase
1. Facilities Expenditures	\$0.13
2. Fleet Expenditures	\$0.15
3. Computer Software and Equipment	\$0.02
4. Cost Allocations - City	\$0.15
5. Other Expenditures	\$0.03
Incremental Requirement	\$0.48
2014 Increase	0.35%

The Hamilton Police Service remains committed to be fiscally responsible in providing adequate, effective and efficient Police Service to the City of Hamilton. In the efforts to present the most fiscally responsible budget, and the lowest request in the past 14 years, the 2014 budget request does not include several major project initiatives. These initiatives include Conducted Energy Weapons (CEW - Tasers), Crime Analysis, and Time and Attendance reporting. These initiatives are required for adequate and effective policing. The Hamilton Police Service anticipates seeking, in 2014, Hamilton Police Board approval for these initiatives and accessing capital reserve funding. Table 4 summarizes these initiatives.

Table 4
2014 Capital Initiatives
(\$ millions)

Capital Initiatives Not Budgeted	Incremental Budget Increase	
1. Time and Attendance Reporting	\$0.25	0.18%
2. Crime Analysis	\$0.15	0.11%
3. CEW - Phased In	\$0.47	0.33%
Incremental Funding Requirement	\$0.87	0.62%

As presented in PSB 13-090a (November 2013), the CEW project will be a phase-in initiative. In the initial phase training costs will be absorbed with current resources. However, moving forward, staffing resources within the Training Branch will need to be assessed.

Revenues - \$0.72 million funding increase

In 2014, the Hamilton Police Service will receive the third year of upload funding from the Province for Court Security services. The increase in Court Security revenue for 2014 is approximately \$0.70 million. The revenue amount will continue to increase by \$0.70 million each year thereafter for the next four (4) years reaching an estimated peak level of \$4.90 million in 2018.

In 2008, the Federal government initiated the Police Officers Recruitment Fund grant under a five year contract from April 1, 2008 to March 31, 2013. This grant provided annual funding of \$0.49 million to the Service. In 2012, the Federal government announced the termination of the Police Officers Recruitment Fund grant effective March 31, 2013. Consequently, this funding no longer exists resulting in a revenue reduction \$0.12 million in 2014. In addition, the Airport Security agreement with the federal government also terminated effective March 31, 2013, resulting in another revenue reduction of \$0.09 million for 2014.

Furthermore, other increase in Polices Fees for special programs (PATS, JOPIS, etc) and Police Clearances are projected to increase to help offset the revenue reductions from the federal government.

The Hamilton Police Service has been notified of a proposed change to the Crises Outreach And Support Team (COAST) program. The proposal is to introduce a COAST Rapid Response Unit. This pilot project will require two additional Police Constables. Though the Hamilton Police Service is seeking grant funding, the potential financial impact is \$220,000 or 0.16% for salary and benefits.

Overall, with the increase in Provincial funding for Court Security services and the discontinuation of the Police Officers Recruitment Fund grant and the Airport Security agreement, revenues in 2014 will increase by \$0.72 million over 2013.

Conclusion

The Hamilton Police Service is committed to be fiscally responsible while servicing a growing municipality and facing challenges in service delivery to the City of Hamilton.

The 2014 net budget request of \$144.59 million, which represents a \$4.18 million or 2.98% increase over 2013, meets the Service's objectives and is the lowest budget request in the past 14 years.

Several Police Services throughout the Province include an Assessment Growth projection in their budget requests. If the Hamilton Police Service considers Assessment Growth projections of 0.8%, as provided by the City of Hamilton, the 2014 budget request would be 2.18%.

The 2014 budget, as presented, addresses the statutory requirements set out in section 4 of the *Police Services Act* for the provision of adequate and effective police services in the City of Hamilton.

GD: J. Randazzo

Attachment

**Hamilton Police Service
2014 Budget Analysis**

Appendix A

2014 Budget	\$144,594,620	
2013 Budget	\$140,414,620	
Increase - Sal/Ben	\$4,413,405	3.14%
Increase - Other Exp	\$484,430	0.35%
Increase - Revenues	(\$717,835)	-0.51%
Total Increase	\$4,180,000	2.98%

<u>Expenditure/Description</u>	<u>Incr/(Decr) over 2013 Budget</u>	<u>Percentage Incr/(Decr) over 2013 Total Budget</u>
<u>Salaries</u>		
Staffing		
Annualized cost new officers(15) from 2013	\$612,330	0.44%
		0.00%
Total Salaries Staffing Additions	\$612,330	0.44%
Compensation Contingency	\$3,047,305	2.17%
Contract, Merit Increases, Perform Pay, etc		
Total Salaries	\$3,659,635	2.61%
<u>Employee Benefits</u>		
Staffing Enhancements:		
Benefits re: Constables(15) Annualized from 2013	\$175,640	0.13%
Total Benefits Staffing Enhancements	\$175,640	0.13%
OMERS	\$239,650	0.17%
Benefits - Gov't, Employer, Retiree, Sick Leave, etc	\$338,480	0.23%
Total Employee Benefits	\$753,770	0.53%
Total Salaries and Benefits	\$4,413,405	3.14%

DESCRIPTION	Account Number	2013	2014	RECOMM.	2014	%
		MAINT. BUDGET	MAINT. BUDGET	PROGRAM CHANGES	BUDGET	INCREASE
EXPENDITURES						
Salaries	51001	97,181,920	96,787,510	-88,210	96,699,300	-0.50%
Compensation Contingency	52870	0	4,455,820	0	4,455,820	#DIV/0!
Part Time Wages	51101	1,510,130	1,899,310	35,000	1,934,310	28.09%
Court & Overtime	51741	3,315,550	3,316,680	0	3,316,680	0.03%
Other Employee Allowances	51901	119,350	119,350	0	119,350	0.00%
Members Renumeration	51727	44,420	44,420	0	44,420	0.00%
Service Pay	51731	175,600	173,000	0	173,000	-1.48%
Pension-OMERS	51802	11,785,210	11,705,640	-11,420	11,694,220	-0.77%
Government Benefits	51811	5,900,760	5,928,360	-3,570	5,924,790	0.41%
Employer Benefits	51815	6,841,220	6,789,590	-3,140	6,786,450	-0.80%
Employer Benefits- Retired Members	51815	2,321,340	2,333,680	0	2,333,680	0.53%
Accumulated Sick Leave	51807	1,024,420	1,056,070	0	1,056,070	3.09%
Vacation Pay	51706	528,590	557,080	1,600	558,680	5.69%
Pay In Lieu of Benefits	51821	217,170	267,350	4,900	272,250	25.36%
Car Allowance	51905	19,510	29,575	0	29,575	51.59%
		130,985,190	135,463,435	-64,840	135,398,595	
Clothing Allowance	51902	160,000	160,000	0	160,000	0.00%
Meal Allowance	51906	36,460	36,460	0	36,460	0.00%
Office Supplies	53050	288,710	280,860	0	280,860	-2.72%
Office Equipment	53440	2,970	2,970	0	2,970	0.00%
Office Furniture/Fixtures	53591	62,510	60,910	0	60,910	-2.56%
Computer Hardware	53405	169,760	510,000	0	510,000	200.42%
Computer Software	53251	513,000	197,625	0	197,625	-61.48%
Identification Supplies	53025	16,700	16,700	0	16,700	0.00%
Cleaning Supplies	53059	55,710	55,710	0	55,710	0.00%
Fuel - Diesel	54115	0	6,500	0	6,500	#N/A
Fuel-Unleaded Gasoline	54130	1,412,890	1,600,390	0	1,600,390	13.27%
New Tires and Tubes	54070	115,000	115,000	0	115,000	0.00%
Oil & Lubricants	54040	12,800	12,800	0	12,800	0.00%
Uniforms	53940	371,300	339,300	0	339,300	-8.62%
Reafer Jackets	53942	52,000	55,000	0	55,000	5.77%
Shirts	53943	55,000	57,000	0	57,000	3.64%
Footwear	53910	57,000	85,000	0	85,000	49.12%
Miscellaneous Supplies	53039	202,800	259,375	0	259,375	27.90%
Transfer to Reserve (Vehicle Purchases)	58102	1,470,000	1,438,500	0	1,438,500	-2.14%
Operating Expenses	53131	1,143,720	1,143,895	0	1,143,895	0.02%
Food for Prisoners	53607	36,980	36,980	0	36,980	0.00%
Ammunition	53005	124,010	107,425	0	107,425	-13.37%
Explosive Disposal Unit	53010	31,300	31,300	0	31,300	0.00%
Equipment	53415	493,750	407,785	0	407,785	-17.41%
E.R.U. Equipment	53456	70,290	70,290	0	70,290	0.00%
Investigative Expenses	54361	47,500	52,000	0	52,000	9.47%
Personnel Tests	53125	10,390	11,390	0	11,390	9.62%
Repairs- Auto Equipment	55135	658,000	635,000	0	635,000	-3.50%
Maintenance Contracts	54930	4,000	4,000	0	4,000	0.00%
Repairs Tires/Tows/Washes	54720	91,410	119,200	0	119,200	30.40%
Repairs - Communications	54715	95,080	115,780	0	115,780	21.77%
Repairs-Buildings	54401	731,730	884,430	0	884,430	20.87%
Horticultural Services	54810	114,440	114,940	0	114,940	0.44%

CAPITAL FINANCING EXPENDITURES

Debt Charges	52010	1,021,680	1,024,170	0	1,024,170	0.24%
Transfer To Reserve From Current	58002	0	0	0	0	#N/A
<hr/>						
TOTAL GROSS CAPITAL FINANCING		1,021,680	1,024,170	0	1,024,170	0.24%
Recovery from Dev Charge Rsve	47117	-309,030	-309,785	0	-309,785	0.24%
<hr/>						
NET CAPITAL FINANCING EXPENDITURES		712,650	714,385	0	714,385	0.24%
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Sub Total		148,546,460	153,509,135	-64,840	153,444,295	3.30%
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Police Tax Stabilization Reserve		-150,000	-150,000	0	-150,000	0.00%
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		148,396,460	153,359,135	-64,840	153,294,295	3.30%
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REVENUES

FEDERAL POLICE OFFICERS GRANT	43550	122,500	0	0	0	-100.00%
COMMUNITY POLICING PARTNERSHIP GRANT	43550	870,000	870,000	0	870,000	0.00%
PROVINCIAL SAFER COMMUNITIES GRANT	43550	1,330,000	1,330,000	0	1,330,000	0.00%
Witness Fees	45534	2,500	2,500	0	2,500	0.00%
Transportation of Prisoners	45637	20,000	20,000	0	20,000	0.00%
Police Fees from Province	43459	2,687,820	2,719,250	704,955	3,424,205	27.40%
Police Fees	45573	644,400	647,370	0	647,370	0.46%
Police Fees Special Duty Administration	45572	200,000	250,000	0	250,000	25.00%
Police Visa Clearances	45575	793,000	893,000	0	893,000	12.61%
From Vehicle Reserve	47113	125,000	125,000	0	125,000	0.00%
From Capital Reserve	47113	225,000	175,000	0	175,000	-22.22%
Firearm Permits	47215	187,020	188,000	0	188,000	0.52%
Sale of Accident Reports	47609	100,000	100,000	0	100,000	0.00%
Gen Occur/ID Photo Sales	47610	32,000	32,000	0	32,000	0.00%
Tow Fees	45633	150,000	150,000	0	150,000	0.00%
File Closure Fees	45509	3,000	3,000	0	3,000	0.00%
False Alarms Fees	45503	489,600	489,600	0	489,600	0.00%
<hr/>						
TOTAL REVENUES		7,981,840	7,994,720	704,955	8,699,675	8.99%
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To Be Met From General Levy		140,414,620	145,364,415	-769,795	144,594,620	2.98%
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CITY OF HAMILTON

BY-LAW NO. 14-103

Schedule "A"
Page 1 of 1

2014 OPERATING BUDGET	2014 LEVY
City Services	
Planning & Economic Development	25,615,783
Public Health Services	10,876,538
Community Services	121,139,513
Public Works	192,617,993
Legislative	4,223,778
City Manager	10,299,513
Corporate Services	21,110,121
Outside Boards & Agencies	41,567,513
Community Partnership Program	3,212,200
Hamilton Entertainment Facilities	5,003,624
Corporate Financials / Capital Financing	50,667,555
Sub-Total Property Tax Levy for City Services	486,334,131
Police Services *	144,594,620.
Share of Non Program Revenues	<u>(44,557,340)</u>
Total General Municipal Levy	<u>586,371,411</u>
Special Services (Area Rated)	
Transit	38,758,240
Sidewalk Snow	106,190
Parkland Purchase	1,215,580
Fire	82,442,140
Recreation	31,014,584
Sidewalk Levy	2,381,018
Streetlighting	6,027,361
Total Special Municipal Levy (Area Rated)	161,945,113
Total Municipal Property Tax Levy Requirement	<u>748,316,524</u>
Re-investment for infrastructure renewal	13,428,869
TOTAL	<u>761,745,393</u>

Note: Each respective budget includes related Capital Financing

Anomalies in totals due to rounding


HAMILTON POLICE SERVICES BOARD

- RECOMMENDATION -

DATE: 2014 December 15
REPORT TO: Chairman and Members
Hamilton Police Services Board
FROM: Glenn De Caire
Chief of Police
SUBJECT: *2015 Hamilton Police Service Operating Budget*
(PSB 14-119)

RECOMMENDATION:

That the Hamilton Police Services Board approve the 2015 Hamilton Police Service Operating Budget.



Glenn De Caire
Chief of Police

FINANCIAL / STAFFING / LEGAL IMPLICATIONS:

FINANCIAL – The 2015 Budget as presented represents a 2.95% increase over the 2014 Budget. The details of the 2015 Budget are identified in *Appendices A-D*.

STAFFING – The 2015 Budget request includes the net staff increase of 6 FTE's; 2 Conductive Energy Weapon (CEW) trainers, 5 Mobile Crisis Rapid Response Team Officers, less the elimination of the Community Corrections Liaison Officer.

LEGAL – n/a

BACKGROUND:

In accordance with Section 39 of the *Police Services Act*, the Police Services Board is required to approve annual budget allocations to provide the funding necessary for the operation of the Police Service. The annual budget, along with strategic planning documents, including the Hamilton Police Service Business Plan, enables the Service to establish and achieve its strategic priorities while meeting the policing needs of the City of Hamilton in an adequate, effective, and efficient manner.

The Hamilton Police Service has completed its 2015 Operating Budget process resulting in a net budget request of \$148.9 million. Total operating expenditures budgeted for 2015 is \$158.5 million which is offset by non-taxation revenue of \$9.6 million. This request represents an increase of \$4.3 million or 2.95% over the 2014 Budget (*See Appendix A*), the lowest budget request in the past 16 years.

The primary pressure on the 2015 Operating Budget is the estimated salary contingency enhancements for 2015 collective bargaining.

2015 Operating Budget Highlights

The Hamilton Police Service 2015 Operating Budget request is for \$4.3 million of new funding. Table 1 summarizes the key factors which result in the net increase of \$4.3 million. The changes in each of the categories in Table 1 are discussed in more detail in the sections that follow.

Table 1
2015 Operating Budget
(\$ millions)

Category	Incremental Budget Increase / Decrease	
1. Employee Related Costs	\$4.85	3.35%
2. Operating Expenses	-\$0.15	-0.10%
3. Revenues (increase)	-\$0.44	-0.30%
Total Police Budget Increase	\$4.26	2.95%

The 2015 Budget request of \$4.3 million or 2.95% increase is to provide adequate, effective, and efficient policing services for the City of Hamilton. It includes new staffing enhancements for CEW and Mobile Crisis Rapid Response Team initiatives.

Salaries and Benefits - \$4.85 million increase

Policing is a people-based business and this is reflected in the composition of the 2015 Hamilton Police Service Budget. Employee related costs account for \$142.5 million or 90% of the total 2015 budgeted expenditures of \$158.5 million. Consequently, compensation expenses represent the most significant budget pressure each year.

The Collective Agreements with both the Hamilton Police Association (HPA) and the Senior Officers Association (SOA) have expired. In the absence of a negotiated economic settlement for 2013, 2014, and 2015, it is necessary for the Service to establish a salary contingency estimating the economic impact of a Collective Agreement settlement. The budget impact on salaries and wages for 2015 is estimated at \$4.03 million or 2.79%. This estimated increase includes the effect of current contractual obligations including performance pay and rank progression for sworn officers along with civilian anniversaries and job evaluation increases.

The 2015 Budget includes a net staffing increase of 6 Officers (7 new positions less 1 existing position). The new positions include 2 FTE's in the Training branch for Conductive Energy Weapon (CEW) annual re-certification / new recruit training, and 5 FTE's for the expansion of the Mobile Crisis Rapid Response Team (MCRRT). These 7 new positions are netted against the elimination of the Community Corrections Liaison Officer (CCLO) as a result of Correctional Service of Canada's announcement to terminate the funding agreement effective December 31, 2014. The total budget impact of the net staffing enhancements is \$0.49 million or 0.33% over 2014.

During the 2014 Budget process, the Hamilton Police Services Board approved the CEW implementation initiative. The Hamilton Police Service recommended it would rely on current (2014) resources for the initial CEW training and it would assess staffing resources within the Training Branch moving forward. As a result, the Hamilton Police Service identified a need to increase authorized strength by 2 FTE for annual CEW recertification and new recruit training.

In addition, the Hamilton Police Service is requesting 5 new sworn positions for the Mobile Crisis Rapid Response Team (MCRRT).

A pilot project was launched, in November 2013, in the downtown core, to respond to people in crises which provide a 1st response option that enables a more experienced and trained triage team dealing with the issues at the front end, when needed the most. It results in improving the response to people in crises, supports the collective community response to help remove the stigma of mental health, and it does not tie up frontline responders in hospital wait times.

This initiative allows for the expansion of the MCRRT program to all divisions of the City and beyond the piloted daily 10-hour time period (11 am – 9 pm).

The other significant cost drivers for 2015 are related to employee benefits. The increase is attributed to the estimated salary contingency enhancements of a new collective agreement, staff enhancements, performance pay, rank progression for sworn officers and civilian anniversaries and job evaluations. The combined incremental increase of these benefit costs in 2015 is approximately \$.33 million or 0.23%.

A summary of compensation cost drivers appears in Table 2.

Table 2
2015 Operating Budget
(\$ millions)

Compensation Items Employee Related Costs	Incremental Budget Increase	
1. Salary Contingency	\$4.03	2.79%
2. Net Staff Enhancements	\$0.38	0.26%
3. Benefits – Staff Enhancements	\$0.11	0.07%
4. Benefits – All Other	\$0.33	0.23%
Incremental Requirement 2015 Increase	\$4.85	3.35%

Operating Expenditures – \$-0.15 million decrease

This represents the equipment, supplies, and services required for the provision of policing services.

At the start of the budget preparation process, as directed by the Chief of Police, Senior Command were asked to review their area of responsibility for efficiencies and reductions to ensure the development of a fiscally responsible budget while maintaining adequate and effective policing. As a result, cost savings have been achieved in a number of areas including fleet/facilities expenditures for repairs and contractual services as a result of the restructuring previously approved by the Hamilton Police Services Board. Further savings were identified in other operating expenditures, such as computer leases and other equipment.

In total, the Police Service budgeted operating expenses (direct control) have decreased by \$.23 million or -0.16% of the 2014 Budget. If you exclude phase II of the CEW initiative, which is being 100% funded from OMERS Type III Reserve (\$.10 million, 0.07%), operating expenditures have actually been reduced by \$.33 million, or -0.23% over 2014. However, this amount is netted against an increase in City of Hamilton cost allocation charges of \$.08 million or 0.06%.

Appendix B and *Appendix C* provide a detailed listing of expenditure increases and decreases respectively.

A summary of operating cost drivers appears in Table 3.

Table 3
2015 Operating Budget
(\$ millions)

Non-Compensation Items Operating Expenditures	Incremental Budget Increase/ Decrease
1. Financial	\$ 0.05
2. Material and Supplies	\$ 0.11
3. Vehicle Expenses	\$ -0.33
4. Facility Expenses – Bldgs/Grnds	\$ -0.07
5. Consulting	\$ -0.05
6. Cost Allocations	\$ 0.14
	\$ -0.15
2015 Decrease	-0.10%

The Hamilton Police Service remains committed to be fiscally responsible in providing adequate, effective and efficient police services to the City of Hamilton and present the most fiscally responsible budget; the lowest request in the past 16 years.

Revenues - \$0.44 million increase

In 2015, the Hamilton Police Service will receive the 4th year (7 year phase in) of the Provincial Court Security and Prisoner Transportation upload funding for Court Security services. The incremental increase in Court Security revenue for 2015 is \$0.43 million, a reduction of \$0.27 million or 38.9% from the incremental increases in each of the last 3 years of \$0.70 million. The total annual amount will be \$2.55 million in 2015

(\$2.11 million - 2014). This funding is directly applied against the Court Security cost (Page 26, Appendix A).

The decrease in the incremental amount from prior years is directly attributed to HPS's relative percentage of the total provincial cost. It decreased from approximately 3.95% to 3.56%, based on the 2013 submitted actual expenditures from police services throughout the province participating in the program.

HPS's relative percentage decrease is mainly due to its continued review of operations for efficiencies and savings. In late 2012, changes were implemented to improve operations in court security, resulting in an annual savings of approximately \$0.2 million, beginning in 2013, moving forward.

In addition to managing a more efficient operation, other contributing factors to our reduced percentage are some police services had increased costs in Court Security, while other police services were new to the program.

The Correctional Service of Canada has sent notification that the Community Corrections Liaison Officer (CCLO) agreement will terminate as of December 31, 2014. This results in the elimination of the position and a reduction in funding revenue of \$.13 million or 0.09% from 2014.

The 2015 Budget request includes a reduction in revenue from the Tax Stabilization reserve of \$.03 million, or 0.02% over 2014.

Conclusion

The Hamilton Police Service's continued commitment to be fiscally responsible while servicing a growing municipality and the continued daily challenges it faces in service delivery to the City of Hamilton requires the 2015 Budget as presented.

The 2015 net budget request of \$148.9 million, which represents a \$4.26 million or 2.95% increase over 2014, meets the Service's objectives and is the lowest budget request in the past 16 years.

Several Police Services throughout the Province include an Assessment Growth projection in their budget requests. If the Hamilton Police Service considers Assessment Growth projections of 1.0%, as provided by the City of Hamilton, the 2015 Budget request would be 1.95%.

The 2015 Operating Budget, as presented, addresses the statutory requirements set out in section 4 of the *Police Services Act* for the provision of adequate and effective police services in the City of Hamilton.

GD: J. Randazzo

Attachments: *Appendix A*

Appendix B

Appendix C

Appendix D

**Hamilton Police Service
2015 Budget Analysis**

Appendix A

2015 Budget	\$148,863,375	
2014 Budget	\$144,594,620	
Increase - Sal/Ben	\$4,850,985	3.35%
Decrease - Other Exp	(\$147,180)	-0.10%
Increase - Revenues	(\$435,050)	-0.30%
Total Increase	\$4,268,755	2.95%

Salaries / Wages

Salaries - Staffing Additions	\$377,045	0.26%
Salary Increase - Contract Contingency, Merit Increases, Perform Pay, etc	\$4,032,705	2.79%
Total Salaries / Wages	\$4,409,750	3.05%

Employee Benefits

Benefits - Staffing Additions	\$107,010	0.07%
OMERS	\$104,300	0.07%
Benefits - Gov't, Employer, Retiree, Sick Leave, etc	\$233,870	0.16%
Total Employee Benefits	\$445,180	0.31%
Other Employee Related Costs	(\$3,945)	0.00%
TOTAL EMPLOYEE RELATED COSTS	\$4,850,985	3.35%

DESCRIPTION	Account Number	2014	2015	RECOMM.	2015	%
		MAINT. BUDGET	MAINT. BUDGET	PROGRAM CHANGES	BUDGET	INCREASE
EXPENDITURES						
Salaries	51001	98,699,300	97,787,020	0	97,787,020	1.12%
Compensation Contingency	51703	4,455,820	7,494,320	0	7,494,320	68.19%
Part Time Wages	51101	1,934,310	2,168,840	0	2,168,840	12.12%
Court & Overtime	51741	3,316,680	3,349,630	0	3,349,630	0.99%
Members Remuneration	51727	44,420	44,420	0	44,420	0.00%
Service Pay	51731	173,000	189,050	0	189,050	9.28%
Pension-OMERS	51802	11,694,220	11,798,520	0	11,798,520	0.89%
Government Benefits	51811	5,924,790	6,042,790	0	6,042,790	1.99%
Employer Benefits	51815	6,786,450	6,798,060	0	6,798,060	0.17%
Employer Benefits- Retired Members	51815	2,333,680	2,451,850	0	2,451,850	5.06%
Accumulated Sick Leave	51807	1,056,070	1,093,900	0	1,093,900	3.58%
Vacation Pay	51706	558,680	581,120	0	581,120	4.02%
Pay In Lieu of Benefits	51821	272,250	305,080	0	305,080	12.06%
CA- W.S.I.B.	51898	1,199,110	1,199,110	0	1,199,110	0.00%
Other Employee Allowances	51901	119,350	121,450	0	121,450	1.76%
Clothing Allowance	51902	160,000	160,000	0	160,000	0.00%
Car Allowance	51905	29,575	29,575	0	29,575	0.00%
Meal Allowance	51906	36,460	36,460	0	36,460	0.00%
Employer Paid Parking	51909	0	75,000	0	75,000	#N/A
Parking	56510	75,000	14,450	0	14,450	-80.73%
Training Courses	56401	798,425	779,930	0	779,930	-2.32%
Transport for Prisoners	56630	10,000	8,000	0	8,000	-20.00%
EMPLOYEE RELATED COSTS		137,677,590	142,528,575	0	142,528,575	
Debt Charges	52010	1,024,170	1,025,640	0	1,025,640	0.14%
CAPITAL FINANCING		1,024,170	1,025,640	0	1,025,640	
Legal Fees	52425	150,000	150,000	50,000	200,000	33.33%
Material Testing Fees	55758	2,500	2,500	0	2,500	0.00%
Medical /Lab Fees	55760	7,000	7,000	0	7,000	0.00%
Medical Fees	55760	42,250	40,000	0	40,000	-5.33%
Membership Fees	55764	32,950	30,730	0	30,730	-6.74%
FINANCIAL		234,700	230,230	50,000	280,230	
Ammunition	53005	107,425	125,585	0	125,585	16.90%
Explosive Disposal Unit	53010	31,300	55,800	0	55,800	78.27%
Identification Supplies	53025	16,700	12,700	0	12,700	-23.95%
Miscellaneous Supplies	53039	259,375	200,240	0	200,240	-22.80%
Office Supplies	53050	280,860	275,590	0	275,590	-1.88%
Cleaning Supplies	53059	55,710	55,710	0	55,710	0.00%
Personnel Tests	53125	11,390	5,490	0	5,490	-51.80%
Operating Expenses	53131	1,139,215	1,187,360	0	1,187,360	4.23%
Computer Software	53251	197,625	228,060	0	228,060	15.40%
Computer Hardware	53405	510,000	565,000	0	565,000	10.78%
Equipment	53415	407,785	348,110	0	348,110	-14.63%
Office Equipment	53440	2,970	2,970	0	2,970	0.00%
Operating Equipment - CEW's	53445	0	98,700	0	98,700	#N/A

DESCRIPTION	Account Number	2014	2015	RECOMM.	2015	%
		MAINT. BUDGET	MAINT. BUDGET	PROGRAM CHANGES	BUDGET	INCREASE
E.R.U. Equipment	53456	70,290	70,290	0	70,290	0.00%
Office Furniture/Fixtures	53591	60,910	46,410	0	46,410	-23.81%
Food for Prisoners	53607	36,980	36,980	0	36,980	0.00%
Footwear	53910	85,000	95,000	0	95,000	11.76%
Uniforms	53940	339,300	348,300	0	348,300	2.65%
Outerwear	53942	55,000	55,000	0	55,000	0.00%
Shirts	53943	57,000	60,000	0	60,000	5.26%
EAP	54224	102,670	65,550	0	65,550	-36.15%
Investigative Expenses	54361	52,000	37,000	0	37,000	-28.85%
Auxiliary	54362	55,510	55,510	0	55,510	0.00%
Police Dogs	54370	27,030	27,030	0	27,030	0.00%
Repair/Maintenance - Computer	54705	666,890	689,405	0	689,405	3.38%
Repairs - Communications	54715	115,780	105,410	0	105,410	-8.96%
Repairs Tires/Tows/Washes	54720	119,200	119,200	0	119,200	0.00%
Maintenance Contracts	54930	4,000	4,000	0	4,000	0.00%
Postage	55606	56,970	61,970	0	61,970	8.78%
C.A. - Postage & Printing	55610	1,370	1,370	0	1,370	0.00%
MATERIAL AND SUPPLIES		4,926,255	5,039,740	0	5,039,740	
Oil & Lubricants	54040	12,800	17,800	0	17,800	39.06%
New Tires and Tubes	54070	115,000	95,000	0	95,000	-17.39%
Fuel - Diesel	54115	6,500	0	0	0	-100.00%
Fuel-Unleaded Gasoline	54130	1,600,390	1,400,000	0	1,400,000	-12.52%
Repairs- Auto Equipment	55135	635,000	530,000	0	530,000	-16.54%
VEHICLE EXPENSES		2,369,690	2,042,800	0	2,042,800	
Repairs-Buildings	54401	884,430	623,750	0	623,750	-29.47%
Laundry/Dry Cleaning Service	54615	95,000	95,000	0	95,000	0.00%
Window Cleaning	54680	1,100	1,100	0	1,100	0.00%
Horticultural Services	54810	114,940	132,440	0	132,440	15.23%
Data Lines	56110	73,310	73,310	0	73,310	0.00%
Heating Fuel	56115	196,940	200,370	0	200,370	1.74%
Hydro	56120	539,430	566,180	0	566,180	4.96%
Telephone	56145	546,010	686,870	0	686,870	25.80%
C.A.-IP Telephony	56147	280	170	0	170	-39.29%
Water & Sewer	56180	50,770	51,770	0	51,770	1.97%
BUILDINGS AND GROUNDS		2,502,210	2,430,960	0	2,430,960	
Consulting Services	55801	79,880	79,880	-52,280	27,600	-65.45%
CONSULTING		79,880	79,880	-52,280	27,600	

	Account Number	2014 MAINT. BUDGET	2015 MAINT. BUDGET	RECOMM. PROGRAM CHANGES	2015 BUDGET	% INCREASE
Equipment - Lease Rental	55310	5,960	30,960	0	30,960	419.46%
Telephone Lines	55331	88,700	88,700	0	88,700	0.00%
Wireless Phone	55332	173,800	151,910	0	151,910	-12.59%
Lease - Office Buildings	55358	69,925	69,925	0	69,925	0.00%
Leasing - Office Equipment	55365	147,000	147,000	0	147,000	0.00%
Office Report	55370	2,000	1,500	0	1,500	-25.00%
Advertising & Promotion	55401	102,590	82,650	0	82,650	-19.44%
Professional Services	55916	234,800	256,540	0	256,540	9.26%
		824,775	829,185	0	829,185	
Chorus	58201	6,000	6,000	0	6,000	0.00%
Chorus	58201	7,300	7,300	0	7,300	0.00%
Police Band	58201	15,000	15,000	0	15,000	0.00%
Police Band	58201	6,000	6,000	0	6,000	0.00%
RESERVES AND SUPPORT PAYMENTS		34,300	34,300	0	34,300	
Transfer to Reserve (Vehicle Purchases)	58102	1,438,500	1,494,900	0	1,494,900	3.92%
CA - AND Fin Accounting Services Recovery	59410	56,240	56,240	560	56,800	1.00%
CA - AND Fin Application Support Recovery	59411	18,390	18,390	180	18,570	0.98%
CA - AND Fin Payroll Recovery	59412	130,750	130,750	1,310	132,060	1.00%
CA - AND Fin Accounts Payable Recovery	59413	56,870	56,870	570	57,440	1.00%
CA - AND Fin Purchasing Recovery	59414	85,550	85,550	860	86,410	1.01%
CA - AND Fin Accounts Receivable Recovery	59415	1,520	1,520	20	1,540	1.32%
CA - AND Current Budgets Recovery	59421	52,020	52,020	520	52,540	1.00%
CA - AND Information Services Recovery	59430	30,910	30,910	310	31,220	1.00%
CA - Hardware Lease/Maintenance	59433	80,000	20,000	0	20,000	-75.00%
CA - Capital App Server	59435	800	0	0	0	-100.00%
CA - AND Legal Services Recovery	59440	45,570	45,570	460	46,030	1.01%
CA - Insurance	59446	1,423,140	1,561,095	0	1,561,095	9.69%
RESERVES/RECOVERIES		3,420,260	3,553,815	4,790	3,558,605	
CA - Communications	58934	660,250	660,250	0	660,250	0.00%
COST ALLOCATIONS		660,250	660,250	0	660,250	
TOTAL OPERATING EXPENDITURES		153,754,080	158,455,375	2,510	158,457,885	3.06%

DESCRIPTION	Account Number	2014	2015	RECOMM.	2015 BUDGET	% INCREASE
		MAINT. BUDGET	MAINT. BUDGET	PROGRAM CHANGES		
REVENUES						
Police Fees from Province	43459	3,612,205	3,612,205	430,945	4,043,150	11.93%
COMMUNITY POLICING PARTNERSHIP GRANT	43550	870,000	870,000	0	870,000	0.00%
PROVINCIAL SAFER COMMUNITIES GRANT	43550	1,330,000	1,330,000	0	1,330,000	0.00%
GRANTS AND SUBSIDIES		5,812,205	5,812,205	430,945	6,243,150	
False Alarms Fees	45503	489,600	489,600	0	489,600	0.00%
File Closure Fees	45509	3,000	3,000	0	3,000	0.00%
Witness Fees	45534	2,500	2,500	0	2,500	0.00%
Police Fees Special Duty Administration	45572	250,000	250,000	39,275	289,275	15.71%
Police Fees	45573	647,370	647,370	-132,710	514,660	-20.50%
Police Visa Clearances	45575	893,000	893,000	23,395	916,395	2.62%
Tow Fees	45633	150,000	150,000	0	150,000	0.00%
Transportation of Prisoners	45637	20,000	20,000	0	20,000	0.00%
Sale of Accident Reports	47609	100,000	100,000	0	100,000	0.00%
Gen Occur/ID Photo Sales	47610	32,000	32,000	0	32,000	0.00%
FEES AND GENERAL		2,587,470	2,587,470	-70,040	2,517,430	
From Vehicle Reserve	47113	125,000	125,000	0	125,000	0.00%
From Capital Reserve	47113	175,000	175,000	0	175,000	0.00%
From Omers Type III Account	47113	0	98,700	0	98,700	#N/A
Recovery from Dev Charge Rsvs	47117	309,785	310,230	0	310,230	0.14%
Police Tax Stabilization Reserve	47117	150,000	150,000	-25,000	125,000	-16.67%
RESERVES/CAPITAL RECOVERIES		759,785	858,930	-25,000	833,930	
TOTAL REVENUES		9,159,460	9,258,605	335,905	9,594,510	4.75%
TOTAL NET EXPENDITURE		144,594,620	149,196,770	-333,395	148,863,375	2.95%

CITY OF HAMILTON

BY-LAW NO. 15-121

Schedule "A"

Page 1 of 1

2015 OPERATING BUDGET

2015 LEVY

City Services	
Planning & Economic Development	28,528,420
Public Health Services	11,714,361
Community Services	122,030,103
Public Works	203,446,342
Legislative	4,288,337
City Manager	12,966,401
Corporate Services	20,027,723
Outside Boards & Agencies	40,693,817
Community Partnership Program	5,332,622
Hamilton Entertainment Facilities	4,850,000
Corporate Financials / Capital Financing	54,610,394
Sub-Total Property Tax Levy for City Services	508,488,520
Police Services	148,863,375
Share of Non Program Revenues	(44,089,420)
Total General Municipal Levy	<u>613,262,475</u>
Special Services (Area Rated)	
Transit	41,194,990
Sidewalk Snow	122,931
Parkland Purchase	1,650,763
Fire	84,938,878
Recreation	33,352,397
Sidewalk Levy	2,349,388
Streetlighting	7,317,597
Re-investment for infrastructure renewal	13,428,869
Total Special Municipal Levy (Area Rated)	<u>184,355,814</u>
Total Municipal Property Tax Levy Requirement	<u>797,618,289</u>

Note: Each respective budget includes related Capital Financing

Anomalies in totals due to rounding

CITY OF HAMILTON
 71 MAIN STREET WEST
 PO BOX 2040 STN LCD 1
 HAMILTON, ON L8N 0A3
 PHONE: 905-546-2489

TAX BILL

2015 FINAL
Billing Date JUN.01,2015

Roll # 010052049900000 Group Code

Mortgage Company

Assessed Owner and Mailing Address

Assessments		Municipal / Area Rate			Education		
Tax Class	Value	Tax/Area Rate	Tax Rate %	Amount	Tax Rate %	Amount	
RTEP	384,000	Municipal Levy	.0455742	1,866.14	.1950000	748.80	
		Transit Levy	.00294834	343.65			
		Prov Shared Programs	.0027122	701.62			
		Police Levy	.0028001	771.07			
		Area Levy-Urban	.0028645	383.86			
		Fire Levy-Urban	.0024145	496.95			
				MUNICIPAL LEVY	4,563.29	EDUCATION LEVY	748.80
Special Charges / Credits		Summary					
		Tax Levy Sub-total (Municipal + Education)				5,312.09	
		Final Taxes				5,312.09	
		Less Interim Billing				2,517.79	
		Past Due				0.02	
TOTAL		TOTAL AMOUNT DUE				2,794.32	
1st INSTALMENT JUN.30,2015		1,397.02		2nd INSTALMENT SEP.30,2015		1,397.30	

...PENALTY AND INTEREST RATE IS 1.25% PER MONTH OR 15.00% PER YEAR. PENALTY AND INTEREST IS APPLIED ... REVERSE FOR FURTHER INFORMATION.

HAMILTON POLICE SERVICE



TO BE THE BEST

VISION

To be the best
aggressive police service.

VISION SUMMARY

To be the best

MISSION

To serve and protect
in partnership with
citizens and communities.

VALUES & ETHICS

- Integrity and honesty
- We are here to help
- Respect for our citizens and officers
- Education and innovation
- Service to the community
- Partnership with the community
- Equitable treatment
- Commitment to quality service
- Teamwork

GLENN DE CAIRE
CHIEF OF POLICE

KEN WEATHERILL
DEPUTY CHIEF OF POLICE

ERIC GIRT
DEPUTY CHIEF OF POLICE

File# 15-0282 *Revised Decision Letter*
MA-150211

June 24, 2015

Mirle Chandrashaker

Dear Mr. Chandrashaker:

I am responding to your request for personal information pursuant to the Municipal Freedom of Information and Protection of Privacy Act, our file # **15-0282**.

As per your access request the following two amounts are the accrual for 2013 and 2014. Be advised 2015 accrual does not exist as it will be completed in the 2015 year end process. You have been given full access to these two amounts.

2013	\$2,798,353
2014	\$6,469,849

I am responsible for this decision. If you have any questions, please contact this office at (905) 546-4727.

You may request a review of this decision by the Information and Privacy Commissioner, 2 Bloor Street East, Suite #1400, TORONTO, ON M4W 1A8.

You have 30 days to make this appeal.

In the event that you wish to launch an appeal, please provide the Commissioner's office with a copy of this decision letter. In addition, you must send a \$25.00 (or \$10.00 for personal information) appeal fee to the Commissioner's office. Please include the fee in your letter of appeal. Appeal fees should be in the form of a cheque or money order, payable to the Minister of Finance.

Sincerely,

Darlene Shepherd
Coordinator
Freedom of Information Branch

Cc: Lorne Swartz, IPC Mediator

Hamilton Police Service				
Journal entries for Salary Contract Budget provision for 2013 to 2015				
2013				
Year	Account	J.V.#	Debit	Credit
2013 Provision and Budget				
As per Memo and Appendix "A" Clearly referenced to actual contingency provided in 2013 and that amount is part of Police portion of Levy By-Law No. 13 - 133 and to Set up 2013 Salary Contingency Portion Budget only	52870	J.V.#1	2,836,130	
City Accounts Payable Account	Liabilty Balance Sheet Account Two	J.V.#1		2,836,130
			2,836,130	2,836,130
To record projected Salary Contingency provided in 2013 budget				
In 2014				
2014				
Account	J.V.#	Debit	Credit	
To Reverse 2013 set up in 2014 .This has no impact on 2014 provision Compensation Salary Contract	Liabilty Balance Sheet Account Two	J.V.# 1	2,836,130	
Projected Salary Contingency Account	52870	J.V.# 1		2,836,130
			2,836,130	2,836,130
To record reversal of 2013 set up J.V.# 1				
Reset up J.V.#1 from 2013 to carry forward until Association contracts Settled.	Account	J.V.#1	Debit	Credit
J.V.# 1	52870	J.V.#1	2,836,130	
Set up in City Accounts Payable	Liabilty Balance Sheet Account Two	J.V.# 1		2,836,130
			2,836,130	2,836,130
To Re - Set up to carry forward from 2013 portion of Salary Contingency Budget.				
2014 Provision and Budget				
As per Memo and Appendix "A" Clearly referenced to actual contingency provided in 2014 and that amount is part of Police portion of Levy By-Law No. 14 - 103 and to Set up 2014 Salary Contingency Portion Budget only	52870	J.V.#2	3,047,305	
City Accounts Payable Account	Liabilty Balance Sheet Account Two	J.V.#2		3,047,305
			3,047,305	3,047,305
To record projected Salary Contingency provided in 2013 budget				

11

In 2015	2015			
	Account	J.V.#	Debit	Credit
To Reverse 2013 set up in 2014 .This has no impact on 2014 provision Compensation Salary Contract	Liabilty Balance Sheet Account Two	J.V.# 1	2,836,130	
Projected Salary Contingency Account	52870	J.V.# 1		2,836,130
			2,836,130	2,836,130
To record reversal of 2013 set up J.V.# 1				
To Reverse 2014 set up in 2015 .This has no impact on 2015 provision Compensation Salary Contract	Liabilty Balance Sheet Account Two	J.V.# 2	3,047,305	
Projected Salary Contingency Account	52870	J.V.# 2		3,047,305
			3,047,305	3,047,305
To record reversal of 2014 set up J.V.# 2				
There is no need to carry over or set up 2015 Compensation Salary Contingency because a contract agreement was reached for a five (5) year contract.				
The Transmittal Memo and Appendix "A" clearly reference the actual contingency provided in 2015 and that amount is part of police portion of Levy By-Law No. 15 - 121				
Refer to Appendix "A", Salary Increase - Contract Contingency , Merit Increases, Perform Pay Etc. \$4,032,705. Account 51703				
Note: These steps could have been eliminated had it been transferred to a Reserve directly. It would not only have made it easier to follow but it would have earned significant amount of interest.				
	Year	Account	Summary	Set up provided
	2013 Provision	52870	2,836,130	2,798,353
	2014 Provision	52870	3,047,305	6,469,849
	Add: 2015 As Approved 2015 Budget Refer Appendix "A"	51703	4,032,705	
	Add: Actual Accounting Records obtained through FOI and Refer Summary Page 51 of 2015 Budget book	51703		7,494,320
	Total Amount Available in 2015		9,916,140	16,762,522
	Less: Actual should have set up as approved by the Board.			-9,916,140
	Excess over Budget total from 2013 to 2015 inclusive			6,846,382