

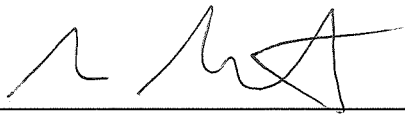
HAMILTON POLICE SERVICES BOARD

- RECOMMENDATION -

DATE: June 11, 2020
REPORT TO: Chair and Members
Hamilton Police Services Board
FROM: Eric Girt
Chief of Police
SUBJECT: *2019 Year-End Surplus Allocation Plan*
PSB 20-049

RECOMMENDATION:

That the Hamilton Police Service Board (Board) approve the Allocation Plan for the 2019 Operating Budget favorable variance (surplus) of \$1,425,221.



Eric Girt
Chief of Police

FINANCIAL / STAFFING / LEGAL IMPLICATIONS:

FINANCIAL – See details in Appendix A

STAFFING – n/a

LEGAL – n/a

BACKGROUND:

The purpose of this report is to provide the Board with information and obtain approval for the re-allocation and transfer of the 2019 year-end operating surplus as detailed below.

In accordance with the “Operating Budget Surplus/Deficit Policy”, the City of Hamilton Finance Department closed the 2019 Hamilton Police Service’s (HPS) operating budget surplus of \$1,425,221 to the Police Tax Stabilization Reserve; a standard operating procedure at year-end.

Based on operational requirements, the following allocation plan is proposed:

2019 Operating Surplus: \$1,425,221

1. Independent Review – PRIDE - \$445,850

In November 2019, the Board approved the independent review for the events leading up to and including the PRIDE Celebration of June 2019 and hired Cooper, Sandler, Shime & Bergman, LLP to complete the review. The review began in late November and all 2019 related billings were recorded in 2019. In other words, some of the funds were allocated to the total cost in 2019. Therefore, \$445,850 represents the remaining portion related to the work performed and completed in 2020.

2. Police Vehicle Reserve Replenishment - \$274,432

As previously approved and directed by the Board, the Police Vehicle Reserve is to be replenished from HPS 2019 surplus in the amount equivalent to the 4 fully equipped police vehicles. This will ensure sustainability of the reserve and assist in meeting future annual obligations.

3. Moving Costs – Investigative Services Headquarters (ISD Building) – \$140,820

With the opening of the new ISD headquarters now scheduled for August 2020, several items are required that were not included in the construction contract nor in the 2020 operating budget. Given the small contingency built into this project, 7 ½%, these items include moving costs (\$46,467), key box for ISD vehicles (\$19,410), autosquad (\$10,176), HCE generator (\$16,282), cyanoacrylate fuming chamber (\$7,276), 3 unloading weapon chambers (\$2,636) and miscellaneous items (\$10,176) such as garbage and recycling bins, whiteboards and first aid kits.

In addition, sworn members previously shared workstations, computers and office phone lines due to the space limitations at Division One. The new ISD building was designed with individual workstations and phones lines, and therefore, new PC's and desk phones (\$28,398) are needed to properly equip the individual workstations.

As such, the above noted items are needed in order to properly equip the new building and provide members with the tools to efficiently and effectively perform their regular duties.

4. Carbines - \$61,040

In 2018, HPS implemented, through the Board's approval (PSB 18-076), the Patrol Carbine Colt C-8 program for deployment to front line officers. The report

recognized that with an increase of incidents with active shooters in Canada, the need for equipment that can meet the increased threat level is necessary. The need to be able to effectively address the threat of a well-armed individual has been acknowledged. This view was also validated by Justice R. Leslie Jackson in his 2017 ruling against the Royal Canadian Mounted Police. Done as a pilot project, we recommend that the Carbine program be expanded and the current compliment of shotguns, and costs incurred, will be eliminated.

It is recommended that the HPS acquire an additional 18 carbines, with police vehicle mounts, for deployment to the front line patrol officers.

5. Survey - Canadian Centre for Diversity & Inclusion (CCDI) - \$46,810

The HPS would like to partner with CCDI to conduct a comprehensive survey on both diversity and inclusion for HPS members. CCDI has partnered with many public and private organizations (over 250) to collect and analyze data, build a strategic plan to respond to the data and provide training. There are currently eleven (11) Canadian police forces partnered with CCDI. This allows for analysis of HPS survey results compared with responses from the same industry. The survey information will provide benchmark data that will be used to build a multiyear diversity and inclusion strategy for the HPS.

In addition to the one-time survey cost, there is an annual membership fee of \$4,070 which will be included as part of the annual HPS budget request.

6. Uninterrupted Power Supply (UPS) Batteries - \$24,174

The UPS supports critical services during power outages such as HPS servers, communications network and emergency lights. When major interruptions in electrical power take place, these UPS batteries provide a back-up until the back-up generator starts. These batteries will provide approximately 30 minutes of additional power.

The "Conditions Assessment" report prepared by Permanent Waves, who provides maintenance on the UPS batteries, indicated the replacement of the UPS batteries as "critical" and necessary.

7. Remote Piloted Aircraft System (RPAS or Drone) - \$22,425

The HPS is seeking a Remotely Piloted Aircraft System (RPAS) to assist in response to a variety of police applications including search and rescue for missing persons, serious / fatal traffic collision investigations, crime scene investigations, major incident applications and emergency response.

Mohawk College has a robust Remote Piloted Aircraft System (RPAS) training and development program and is a willing community partner in the development of a program for HPS.

An MOU with Mohawk College will ensure the effectiveness of the HPS RPAS program in the areas of Research & Development, Training, and Maintenance. Mohawk College has been designated as an RPAS training Academy and has several training locations that have been approved by Transport Canada. The College has had tremendous success in implementing programs with other emergency services, Transport Canada, Department of National Defence, Ontario Power Generation and private industry. Mohawk College has a large inventory of RPAS systems, drone detection systems and ancillary equipment that will be shared for testing and training purposes. Access to this equipment will ensure that the equipment purchased by HPS will fulfill all the requirements of the service.

This community partnership will work to develop deployment strategies and create best practice for the HPS RPAS program relative to collision investigations, missing persons, and any other applicable emergency situations. The growth in drone technology has led to the need for anti-drone surveillance relative to the use of unsanctioned or hostile devices at major public events. This technology is costly and requires a high level of training to operate. Mohawk College has access to this equipment and has already demonstrated their capacity to provide expertise in this area during the Canadian Open in 2019. Working with Mohawk College will assist with the development of deployment plans including to but not limited to basic training, nighttime operations with unlit RPAS platforms and standardized monthly competency audits for HPS pilots. The value of this research, development and training for the one-year period in the MOU is difficult to assess but is between \$5,000 - \$10,000. Other organizations that contract with Mohawk for similar services are in the \$40,000 - \$50,000 range per MOU.

This community partnership will enhance our response to large scale events such as McMaster's Fake Homecoming, City Hall protests/demonstrations and Supercrawl. Other national / international events planned for the City of Hamilton are the CFL Grey Cup in 2021 and the Canadian Open in 2023. The partnership with a local post-secondary institution also assists building strong community relationships, engaging our youth and student populations while promoting professional development and innovation within the HPS. Mohawk staff have actively been pursuing a more formal relationship with HPS since 2018. Entering into an MOU will serve to solidify this relationship and brings with it the potential for future growth and development between our two organizations.

8. Police Tax Stabilization Reserve - \$409,670 (remaining balance)

The Police Tax Stabilization Reserve was established to ensure the ongoing financial stability and fiscal health of HPS. It accumulates Police surpluses that can be used to offset Police costs, annual budget increases, potentially mitigate increases due to budgetary fluctuations and alleviate any unforeseen operating expenditures during a fiscal year. This could include costs incurred for COVID-19 response that may not be funded by Provincial or Federal grants.

All HPS reserves are managed and analyzed continuously to ensure any future annual obligations are met. The HPS continues to undertake significant ongoing mitigating efforts in order to manage all costs within its control. Contributions to these reserves are made only through annual year-end surplus funds of the Service.

Thus, it is recommended that \$409,670 of the remaining 2019 year-end surplus be used to replenish the reserve in order to alleviate potential financial pressures in the current and future budget years.

The year-end operating surplus is funding that is not provided on an ongoing basis. Actual financial results vary from year-to-year based on various external and internal factors. Therefore, it is recommended that the allocation plan be approved to provide the HPS with the opportunity to strategically allocate funds to address current and future policing needs.

In addition, this allocation plan will streamline the budget process for the Board in being able to fund expenses with their own reserves rather than requesting these funds from City reserves and/or tax levy.

EG: J. Randazzo

Attachments: *Appendix A*

cc: Frank Bergen, Deputy Chief – Operations
Ryan Diodati, Deputy Chief – Support
Anna Filice, Chief Administrative Officer
John Randazzo, Director – Finance

Hamilton Police Service
 Budget Variance Report
 Year Ended December 31, 2019

Appendix A

YTD Budget % : 100.00%

| | Approved | | | Variances | % Spent |
|-------------------------------|-----------------------|-----------------------|-----------|------------------|----------------|
| | Budget | Actual | | | |
| <u>Revenues</u> | | | | | |
| Grants and subsidies | \$ 9,483,120 | \$ 9,417,003 | \$ | (66,118) | 99.30% |
| Fees and general revenues | 2,707,210 | 3,141,973 | | 434,763 | 116.06% |
| Reserves/Capital recoveries | 610,380 | 310,378 | | (300,002) | 50.85% |
| Total revenues | \$ 12,800,710 | \$ 12,869,354 | \$ | 68,644 | 100.54% |
| <u>Expenses</u> | | | | | |
| Employee Related Costs | \$ 159,352,440 | \$ 158,985,028 | \$ | 367,412 | 99.77% |
| Financial/Legal Charges | 369,040 | 514,765 | | (145,725) | 139.49% |
| Materials and supplies | 6,536,670 | 5,889,039 | | 647,631 | 90.09% |
| Vehicle expenses | 2,075,000 | 1,890,919 | | 184,081 | 91.13% |
| Buildings and grounds | 2,287,600 | 2,008,270 | | 279,330 | 87.79% |
| Consulting expenses | 42,600 | 55,176 | | (12,576) | 129.52% |
| Contractual expenses | 775,950 | 748,504 | | 27,446 | 96.46% |
| Agencies and support payments | 42,300 | 37,300 | | 5,000 | 88.18% |
| Reserves/Recoveries | 4,211,370 | 4,207,392 | | 3,978 | 99.91% |
| Cost allocation | 1,087,680 | 1,087,682 | | (2) | 100.00% |
| Capital Financing | 1,116,130 | 1,116,128 | | 2 | 100.00% |
| Total expenses | \$ 177,896,780 | \$ 176,540,204 | \$ | 1,356,576 | 99.24% |
| Total Net Expenditure | \$ 165,096,070 | \$ 163,670,849 | \$ | 1,425,221 | 99.14% |