

THE REGIONAL MUNICIPALITY OF YORK
POLICE SERVICES BOARD

REPORT OF THE CHIEF OF POLICE

SEPTEMBER 23, 2020

**Interim Financial Reporting for the Period
Ending June 30, 2020**

RECOMMENDATION

1. That the Board receive the unaudited interim financial reports for the six month period ending June 30, 2020, pursuant to Financial Management Board Policy No. 01/05.

SYNOPSIS

The Regional Municipality of York Police Services Board (the "Board") is 46.8 percent spent at the end of June 30, 2020. York Regional Police is 51.8 percent spent for the same time period. A Schedule of Reserves Balances totalling \$12,865,573 and Schedule of Capital Budget Spending with current year spending totalling \$7,853,884, have also been supplied for information purposes.

This report also provides an update on the preliminary financial implications as a result of the COVID-19 emergency. Current estimates indicate the financial implications total \$17.8 million including an incremental cost of \$1,225,245. Regular updates will be provided to the Board to refine the financial impacts including the full cost of lost-time, sick time and other financial implications.

FINANCIAL IMPLICATIONS

As a result of the COVID-19 emergency, it is projected that the Regional Municipality of York Police Services Board and York Regional Police 2020 operating budgets may be at risk to exceed the funding approved by the Regional Municipality of York Police Services Board. A Year End deficit position is estimated in the range between \$6 million and \$8 million.

The impact of lost revenues and additional costs related to operations during the COVID-19 crisis is forecast at \$1,225,245 to the end of June 2020, consisting of revenue loss totalling \$1,951,031 and direct costs incurred of \$887,424, which are partially offset by mitigating factors of \$1,613,210. A portion of lost revenues is offset by lower officer wages for paid duties. The projected financial impact of this crisis is expected to be in the range of \$0.3 million for each additional month of the crisis.

Financial analysis and reporting on all major accounts, including salaries, benefits, court time, overtime, fuel and investigative expenses are ongoing. Budget notes have been attached for all major variances.

BACKGROUND

The Board's Financial Management Policy states that "the Chief of Police shall ensure that financial reporting is timely, accurate and relevant...The reports to the Board shall include: Quarterly reporting on actual financial performance including year-end financial forecasts." The Regional Municipality of York Finance Department second quarter accounting period is now complete, and the unaudited financial reports for the Board and York Regional Police for the period ending June 30, 2020 are attached to this report.

Net expenditures for the Board are \$220,642 or 46.8 percent of budget. For comparison purposes, the Operating Budget for the Board was 41 percent spent at June 30, 2019. Favourable variances exist in the legal fees, consultant fees, training, minor capital, and mileage accounts and offset ahead of plan spending in membership fees.

Net expenditures for York Regional Police are \$179,892,002 or 51.8 percent of budget excluding pending salary and benefit pressures as a result of bargaining outcomes. For comparison purposes, the Operating Budget for York Regional Police was 51.6 percent spent at June 30, 2019.

Capital project expenditures are \$18,921,201 or 27.8 percent of budget based on inception-to-date project spending, as shown in the Schedule of Capital Budget Spending. Reserve funds totalling \$12,865,573 are identified in the Schedule of Reserve Balances.

Expenditures for salaries and benefits are modestly over budget due to overtime related to investigations. Favourable variances in ammunition, miscellaneous allowances, vehicle repair and maintenance, gas oil, hydro water, and office cleaning accounts offset ahead of plan computer software, telecom contracts, radio licence expenses, investigative expenses, and the shortfalls in revenues, as identified in the Schedule of Financial Notes and the Schedule of Operating Expenditures.

In addition, Financial Services staff have been tracking the financial impact of COVID-19 from the date of the Provincial State of Emergency announcement on March 17, 2020. As a result of this emergency, York Regional Police has incurred incremental expenditures as well as revenue losses offset partially by mitigating actions. The Schedule of COVID-19 Financial Implications provides a summary of the estimated costs through June 30, 2020.

It is therefore recommended that the unaudited interim financial reports for June 30, 2020 be received in accordance with the quarterly reporting requirements outlined in the Financial Management Board Policy No. 01/05.

JMS/II

Jim MacSween, B.A.A.
Chief of Police

Accessible formats or communication supports are available upon request