

## **Schedule of Financial Notes**

### **SALARIES**

The salaries account is temporarily on budget with 48.3 percent spent at June 30<sup>th</sup>, without reflecting the salary increase effective as of July 1<sup>st</sup>, 2022.

Net overtime is 85.8 percent spent which includes the estimated banked liability. Salary overtime is over budget primarily due to the Ottawa deployments in response to the Freedom Convoy and Rolling Thunder Convoy which have been fully recovered. The overspending in overtime is partially offset by a favourable variance in court overtime. Net overtime is forecast to be at a deficit position by end of year. For comparison purposes, net overtime as of June 30, 2021 was 56.8 percent spent.

### **BENEFITS**

Employee benefits expense is unfavorable at 56.0 percent spent due to growth in retiree benefit obligations as well as contributions for the Canada Pension Plan and Employment Insurance, which are expensed relative to earnings until maximums are reached whereas budgeted funding is measured evenly over the year. Last year at this time, accounts were 56.3 percent spent.

### **OPERATING EXPENSES**

Total operating expenses are unfavourable at 54.6 percent spent compared to 50.5 at the end of the second quarter last year. Costs incurred due to the COVID-19 pandemic totalled \$60,910.

#### **Program Specific Expense**

Overall spending is ahead of budget at 53.3 percent primarily due to shipment timing of ammunition and conducted energy device consumables. The unfavourable variance is partially offset by underspending in photographic equipment and personnel agency fees.

#### **Professional Contracted Services**

Consultant expense is ahead of budget resulting from several consultant review projects. This unfavourable variance is partially offset due to lower than planned spending in the Air Support Unit.

#### **General Expense**

Overall general expense spending is on budget.

The timing of expenditures has resulted in telecom contracts, radio system licence, software maintenance, miscellaneous allowances, and conventions and seminars to be temporarily ahead of budget. This is offset by underspending in uniforms, repair and maintenance of vehicles, and telecommunication lines.

Fuel accounts are ahead of budget due to the rise in retail gasoline prices. A pending draw from the Region's fuel stabilization reserve will mitigate the unfavourable variance.

## Financial Charges

Bank interest and transaction charges are below budget.

## Occupancy Expense

Overall spending is below budget. Expenditures for hydro, office cleaning, and caretaking accounts are under budget, offsetting the unfavourable variance in repair and maintenance of plant and equipment, facility lease, and heat accounts.

## Minor Capital

Operating equipment purchases are below budget due to the timing of equipment replacement.

## Debt Interest

Debt principal payments are temporarily overspent over mid-year budget, as the full year budgeted amount has been recorded in the first half of the year by the Regional Controllershship Office.

## **REVENUES**

Provincial funding is above budget with additional funding from the Court Security and Prisoner Transportation upload partially offset by a shortfall with the Gun and Gang Specialized Investigations grant.

Overall Fees and Charges revenue is above budget resulting from cost recoveries for the Ottawa Freedom Convoy and Rolling Thunder Convoy deployments and increased service requests for paid duty officers. Compared to the same period last year, requests for paid duty has increased by 53.0 percent over prior year resulting in a favourable variance.

Volumes for motor vehicle collision reports, vulnerable sector screening, and clearance letters have yet to recover to pre-COVID-19 pandemic levels. The unfavourable variance for these services is offset by paid duty revenues.

## **RESERVES**

### Police Services Board Public Relations Fund

Year-to-date contributions to reserves as of June 30, 2022 totals \$6,825, all from forfeited monies. Interest earned on this account totals \$1,525. A draw from the reserve of \$20,000 has been made to pay for approved expenditures.

### Development Charge Reserve

Development charge collections to date totals \$5,723,208. Interest earned on this account totals \$77,257. Combined payments made on the development charge portion of debentures and capital projects totals \$8,410,530.

### Sick Bank Reserve

Reserve contributions were put on hold as of 2021 to increase the budget risk tolerance and mitigate budget pressures. A draw of \$383,500 was made to match sick bank payouts to retirees. Interest earned on this account totals \$17,946.

### Police Infrastructure Reserve

Year-to-date contributions totals \$546,907. Interest earned on this account totals \$18,598. A draw from the reserve of \$130,687 has been used to fund capital projects.

## **CAPITAL BUDGET SPENDING**

The capital spending authority for active capital projects totals \$57,946,449, consisting of \$35,160,405 in spending from inception-to-date and a remaining balance of \$22,786,044.

On June 30, 2022, Council approved a request to reallocate \$1.8 million to fund the increase in construction costs at 240 Prospect Street, Newmarket. \$1.3 million will be reallocated from the new #1 District Headquarters which will be completed under budget and \$500,000 will be reallocated from planned renovations to existing facilities. Council also approved the reallocation of \$220,000 from technical investigations to fund specialized equipment for staff growth.

At the beginning of July, a request was submitted to reallocate \$240,000 to fund an increase in implementation costs of the Talent Management System from the In-car Camera Project, which has experienced manufacturing delays. This reallocation is subject to Council approval anticipated in September.

The majority of capital projects are on schedule with an estimated 84.0 percent of the 2022 allocated budget estimated to be spent by the end of the year. Unspent funding of multiple-year projects have been re-budgeted through the proposed 2023 budget:

- The final payment for the helicopter replacement has been rebudgeted to the first quarter of 2023, due to contract terms and expected delivery date.
- The #1 District Headquarters project was completed at the beginning of 2022. A portion of the 2022 budget is deferred to 2023 to accommodate timing of the construction warranty payment schedule.
- 240 Prospect Renovations are currently underway with mechanical work anticipated to be completed in 2022. The general construction contract will be signed in September which will result in a budget deferral into 2023.
- As part of the Digital Evidence Management/ In-Car Cameras project, in-car camera system has experienced a manufacturing delay, resulting in an expected deferral of 2022 budget to 2023. The remaining spending within Digital Evidence Management is on track.