

PUBLIC

THE REGIONAL MUNICIPALITY OF YORK
POLICE SERVICES BOARD

REPORT TO THE CHIEF OF POLICE

NOVEMBER 25, 2020

2021 Operating and Capital Budgets

RECOMMENDATIONS

1. That the Board approve the 2021 Operating Budget with a tax-levy impact of \$360,652,000;
2. That the Board approve in principle the Outlook to 2022 with tax-levy impact of \$378,843,000, for financial planning purposes;
3. That the Board approve the proposed 2021 Capital Budget totalling \$34,344,000 with a Capital Spend Authority of \$47,486,000;
4. That the Board approve for financial planning purposes the 10-Year 2021-2030 Capital Forecast totalling \$214,308,000; and
5. That the Board forward the 2021 Budget information for the Treasurer's tabling of The Regional Municipality of York's Budget at Regional Council on February 18, 2021.

SYNOPSIS

This report requests the Board's approval of the 2021 Operating Budget of \$360,652,000, a 3.65 percent or \$12,702,000 increase over the 2020 Operating Budget. This proposal includes the final bargaining outcomes, an increased risk tolerance due to mitigated expense items and additional hiring gapping to assist with mitigating the financial impact of COVID-19. This proposal reflects a reduction of \$1,386,000 from the September 23, 2020 Board tabling and meets the 2021 Preliminary Planning Allocation communicated by Treasurer Laura Mirabella in her letter dated June 1, 2020.

This report also requests the Board's approval of the 2021 Capital Budget and Forecast to 2030 as set out in Appendix 1. The Capital Budget includes the major facility, vehicle, information technology, communication and specialized equipment requirements of York Regional Police.

FINANCIAL IMPLICATIONS

The total 2021 tax-levy requirements of \$360,652,000 results in an increase of \$12,702,000 or 3.65 percent over 2020 funding. Annual salary and benefits costs for 23 additional staff in 2021 are budgeted to keep up the growth of the Region and increasing demands for service, specifically for the purposes of tackling violent and organized crimes, member wellness, and legislative requirements. This request is less than the original outlook of 34 by 11 full-time equivalent staff. The first year salary and benefits of additional staff has been reduced by salary gapping. This treatment reduces first year wage costs to reflect an intake process that occurs throughout the year of hire. The second year cost to annualize the wages for the full year in 2022 is an additional \$2,757,000. The Budget figures presented exclude assessment growth and Regionally allocated costs, in accordance with Budget guidelines provided annually from The Regional Municipality of York Office of the Budget staff. Funding sources for the 2021 Operating Budget is shown in Appendix 2.

Financing for the 2021 Capital Budget and Forecast to 2030 is a combination of contributions from reserves (operating tax-levy), debenture proceeds repaid from development charges, debt reduction reserve funding, development charge collections and external funding – proceeds from sale of equipment and from Fire Partners. Funding sources for the 2021 Capital Budget is shown in Appendix 3.

BACKGROUND

Operating Budget

At its meeting on September 23, 2020, the Board received a tabling of the 2021 Operating Budget, which was \$1,386,000 above the 2021 Preliminary Planning Allocation. The proposed budget included partial mitigation of pressures due to the COVID-19 pandemic, the impact of bargaining outcomes and reduced revenue from the new alarm verification program. Subsequently, the proposed budget has been amended to meet preliminary planning allocations with the following edits:

1. In partnership with a Region-wide initiative, a (\$925,000) reduction was found from common expenditure items from training, fleet and other accounts as a temporary reduction to partially offset COVID-19 pressures.

2. In October, the Board ratified collective working agreements for uniform and civilian members. An additional net reduction of (\$147,000) reflects savings from the bargaining outcomes.
3. A reduction of (\$314,000) was found in additional salary gapping.

The 2021 operating submission includes additional staff with 11 members to tackle violent and organized crimes; 11 members to support members' health and wellness; and, one member to reflect legislated requirements. Based on all known budget pressures, the proposed 2021 Operating Budget is shown below:

2021 Operating Budget

	Proposed
In 000's	
Base Budget	347,951
Salaries and Benefits	
Increases for Wages & Reclassification	9,242
Annualization of Additional Staff	2,245
Additional Staff	1,025
Expenditures	
Increase to Operating Expenses	(739)
Principal Interest and Reserve	15
Revenues, Grants and Recoveries	913
Net Operating Budget	360,652
Incremental Budget Increase (\$)	12,702
Incremental Budget Increase (%)	3.65%

Capital Budget

The capital plan has been developed to provide the infrastructure necessary to deliver quality policing services for the protection of all its citizens. The Capital Spending Authority totalling \$47,486,000 was proposed for multiple-year projects including #1 District Headquarters, portable radio replacement, 240 Prospect renovation, helicopter replacement, connected officer/in-car modernization, digital evidence management, and forensic equipment. The 2021 Capital Budget includes new funding of \$23,440,000 and \$10,904,000 re-budgeted projects.

Vehicles - \$4,480,000 (Capital Spending Authority \$10,730,000)

This category includes an annual project for the addition and replacement of marked, unmarked, and special purpose vehicles, as well as air operations and vessels, in accordance with York Regional Police's vehicle replacement program.

- Replacement and changeover of vehicles for \$4,380,000 pertains to front line vehicles replaced at 180,000 kilometres for Interceptor Utility vehicles. Ford Utility Hybrid vehicles to generate fuel efficiency will be purchased to replace front line vehicles. The replacement methodology was set to maximize residual value for the vehicles at auction, minimize major component repair cost and to meet reliability expectations of police specification vehicles.

- \$100,000 in the 2021 Budget pertains to the provision of purchase, replacement, and retrofit for air operations equipment for the helicopter.

Facilities - \$20,055,000 (Capital Spending Authority \$24,055,000)

The following facilities projects are proposed for the 2021 Budget:

- #1 District Headquarters – The \$17,853,000 budgeted in 2021 is for majority of construction costs. The Capital Spend Authority for this project is \$25.75 million over five years.
- Renovations to Existing Facilities – The \$1,120,000 budget is for various building replacement projects as identified through building condition assessments. These assessments were completed as part of the asset management planning process.
- Peer Support Leasehold Improvements – The \$832,000 funding request is for lease and renovation of a new location to support our members. The funding also includes the cost of restoring the existing location back to its original condition due to lease expiry in 2021. The Capital Spend Authority for this project is \$1.5 million over two years.
- 240 Prospect Renovation – The \$250,000 funding request is for the architect cost of the renovation project. The Capital Spend Authority for this project is \$1.75 million over two years.

Information Technology - \$5,233,000 (Capital Spending Authority \$7,897,000)

The 2021 information technology projects reflect the ongoing replacement and growth of technology needs, including:

- Digital Evidence Management and In-car Cameras – This is a modernization initiative which will streamline the evidence management process, increase operational efficiencies, and reduce server storage.
- Hardware and Software - This annual project replaces end of useful life desktop computers, laptops and printers in accordance with the ever-greening replacement strategy.
- Infrastructure and Applications - This project for \$969,000 targets the expanding records retention needs of the organization and new information technology initiatives.
- Connected Officer and In-Car modernization – The request for \$600,000 is to support the modernization of officers and vehicles, implementing efficiencies including in-car tablets, mobile equipment, and modernize the process of police notes records.
- Business Intelligence – This project is for annual betterment and improvement on the business intelligence system tailored to police operations by providing accurate and timely key performance indicator information and to enable management to make effective decisions.
- Talent Management System – The request for \$300,000 is to implement a new system to improve the recruitment, promotion, and staff development process.

- Disaster Recovery Plan - The re-budgeted amount of \$200,000 is scheduled for 2021 completion. The project objective is to implement a backup data centre to ensure business continuity in the event of failure at the primary data centre.
- Closed-Circuit / Witness Rooms - The re-budgeted amount of \$143,000 is to continue the witness rooms equipment replacement.

Specialized Equipment - \$2,996,000 (Capital Spending Authority \$3,224,000)

- Forensic Specialized Equipment - The request of \$1,805,000 includes \$454,000 re-budgeted from 2020 to 2021 due to a project delay. The budget includes the combination of forensic lab equipment and automated palm and fingerprint identification systems.
- Combined specialized equipment projects total \$1,191,000 including furniture, uniform equipment, firearms and conductive energy weapons, technical investigations and support service equipment.

Communication Equipment - \$1,580,000

- The radio system project is for betterments of the Motorola radio system.
- Portable and Mobile Radio Replacement- The request of \$1,200,000 is to replace portable and mobile radios. The Capital Spend Authority for this project is \$4.6 million over three years representing replacement of all existing radios.

The ten year 2021 to 2030 Capital Forecast include expenditures totalling \$214,308,000: \$59,593,000 for vehicles, \$54,085,000 for facilities, \$46,243,000 for information technology, \$32,964,000 for communication equipment, and \$21,423,000 for specialized equipment. Please refer to Appendix 1, 2021 Capital Budget and Ten-Year 2021 to 2030 Capital Forecast for additional details.

It is therefore recommended that the Board approve the 2021 Operating Budget, the associated Operating Outlook to 2022, the 2021 Capital Budget of \$34,344,000, the 2021 Capital Spend Authority of \$47,486,000 and the 10-Year 2021 to 2030 Capital Forecast totalling \$214,308 for financial planning purposes. Also, that the Board's recommendations be forwarded for inclusion in the Treasurer's tabling of The Regional Municipality of York's Budget at Regional Council on February 18, 2021.

JMS/II

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

Accessible formats or communication supports are available upon request

Appendix 1: 2021 Capital Budget and Ten-Year 2021 to 2020 Capital Forecast

Description	Capital Forecast 2021-2030										Total 2021-2030
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Vehicles											
Vehicles	4,380	4,470	4,550	4,650	4,740	4,830	4,930	5,030	5,130	5,230	47,940
Marine Patrol Boat									250	1,220	1,470
Flight Operations						1,118					1,118
Air Operations	100		100	100	100	100	718	578	919	100	2,815
Air Operations- Helicopter Replacement		6,250									6,250
Sub Total Vehicles	4,480	10,720	4,650	4,750	4,840	6,048	5,648	5,608	6,299	6,550	59,593
Facilities											
#1 District Headquarters	17,853	2,500									20,353
Land Bank Acquisition			2,000						6,000		8,000
New District and Substation Outlook				3,000						8,950	11,950
PS Leasehold Improvements	832										832
240 Prospect Renovation	250	1,500									1,750
Renovations/Major Equipment to Existing Facilities	1,120	1,040	1,060	1,080	1,100	1,120	1,140	1,160	1,180	1,200	11,200
Sub Total Facilities	20,055	5,040	3,060	4,080	1,100	1,120	1,140	1,160	7,180	10,150	54,085
Communication Equipment											
Radio System	380	190	190						14,000	13,500	28,260
Portable and Mobile Radio Replacement	1,200	1,152	2,352								4,704
Sub Total Communication Equipment	1,580	1,342	2,542	0	0	0	0	0	14,000	13,500	32,964
Information Technology											
IT Hardware and Software	1,096	1,150	1,170	1,190	1,210	1,230	1,250	1,280	1,310	1,340	12,226
Learning Management System						150					150
CAD/RMS Upgrades		250					250				500
YRPNet Re-write				150					150		300
Disaster Recovery Plan	200				308					308	816
IT Infrastructure and Applications	969	1,549	969	969	969	969	969	969	969	969	10,270
Connected Officer/In-Car Modernization	600	453	453	453	453	453	475	475	475	475	4,765
Digital Evidence Management	1,435	869	886	909	873	870	870	870	870	915	9,367
Data Governance and Retention Management						1,000					1,000
Business Intelligence	490	170	170	170	170	170	170	170	100	100	1,880
Employee Scheduling		110									110
Talent Management	300										300
Closed-Circuit / Witness Rooms	143								716		859
Computer Aided Dispatch - Records Mgmt System						3,700					3,700
Sub Total Information Technology	5,233	4,551	3,648	3,841	3,983	8,542	3,984	3,764	4,590	4,107	46,243
Specialized Equipment											
Specialized Equip. - Furniture	470	470	470	470	470	470	470	470	470	470	4,700
Specialized Equip. - Additional Staff/ Body Armour	424	424	424	424	424	424	424	424	424	424	4,240
Specialized Equip. - Firearms & Conductive Energy	297	447	322	332	322	197	447	197	533	397	3,491
Specialized Equip. - Robotics / Support Services		400					250		125	150	925
Specialized Equip. - Forensic Equip.	616	126	204	264							1,210
Specialized Equip. - Investigation Software	1,189	102							2,200		3,491
Specialized Equip. - Telephone		350									350
Specialized Equip. - Technical Investigations			1,100					1,100			2,200
Specialized Equip. - Road Safety										816	816
Sub Total Specialized Equipment	2,996	2,319	2,520	1,490	1,216	1,091	1,591	2,191	3,752	2,257	21,423
Total Gross Expenditures	34,344	23,972	16,420	14,161	11,139	16,801	12,363	12,723	35,821	36,564	214,308
Envelope	24,776	19,948	10,726	10,142	10,891	16,645	11,570	12,066	35,258	36,998	189,020
Over / (under) envelope	9,568	4,024	5,694	4,019	248	156	793	657	563	-434	25,288
Financing Sources	388										
Debt Reduction Reserve	10,116	8,867	4,194	1,693	1,380	5,586	1,754	2,304	15,795	14,584	66,273
Debt Repaid from Development Charges	14,830	6,693	4,683	4,846	2,148	3,346	2,476	2,464	11,349	13,422	66,257
Development Charges From Reserve	654	229	131	153	60	60	94	38	633	351	2,403
External Funding - Fire partners & Auction Proceeds	159	384	79	0	0	0	0	0	0	0	622
Infrastructure Reserve	250	250	250	250	250	250	250	250	250	250	2,500
Contribution from Reserves (Operating Tax-Levy)	8,335	7,549	7,083	7,219	7,301	7,559	7,789	7,667	7,794	7,957	76,253
Total Financing	34,344	23,972	16,420	14,161	11,139	16,801	12,363	12,723	35,821	36,564	214,308

Appendix 2: 2021 Operating Funding Sources

	Tax-levy	Grant and Subsidies	Service Fees and Charges	Other	Gross Expenditures
Operating Budget (Gross)	\$360,652,000	\$14,342,000	\$13,398,000	\$8,372,000	\$396,764,000
Percentage	91%	4%	3%	2%	100%

Appendix 3: 2021 Capital Funding Sources

Category	Reserves – Operating Tax-levy	Debt Reduction Reserve	Development Charges	External Funding	Total
Vehicles	\$3,398,000	\$78,000	\$1,004,000	\$0	\$4,480,000
Facilities	\$1,702,000	\$5,937,000	\$12,416,000	\$0	\$20,055,000
Information Technology	\$3,159,000	\$1,599,000	\$475,000	\$0	\$5,233,000
Specialized Equipment	\$326,000	\$1,400,000	\$1,270,000	\$0	\$2,996,000
Communication Equipment	\$0	\$1,102,000	\$319,000	\$159,000	\$1,580,000
2021 Total	\$8,585,000	\$10,116,000	\$15,484,000	\$159,000	\$34,344,000
Percentage	25%	29%	45%	0.46%	100%
Ten-Year Total	\$78,853,000	\$66,273,000	\$68,660,000	\$622,000	\$214,308,000
Percentage	37%	31%	32%	0.29%	100%