

The Regional Municipality of York Police Services Board

Public Board Meeting
October 25, 2023

Report of the Chief of Police

2024 Operating and Capital Budgets

1. Recommendations

1. That the Board approve the 2024 Operating Budget with a tax-levy impact of \$410,056,809;
2. That the Board consider and choose between the following options, and approve in principle the outlooks for 2025 and 2026:
 - a. As tabled, a tax-levy impact of \$426,140,747 in 2025 including 31 additional staff and \$442,411,081 in 2026 including 36 additional staff for financial planning purposes; or
 - b. Enhanced outlooks of 46 additional staff in each year with a tax-levy impact of \$426,940,747 in 2025 and \$444,791,081 in 2026 for financial planning purposes;
3. That the Board approve the proposed 2024 Capital Spending Authority totalling \$36,081,000;
4. That the Board approve for financial planning purposes the 10-Year 2024-2033 Capital Outlook totalling \$219,243,000; and
5. That the Board forward the 2024 Budget information for the Treasurer's tabling of The Regional Municipality of York's Budget at Regional Council on November 23, 2023.

2. Summary

This report requests the Board’s approval of the proposed 2024 Operating budget, 2024 Capital Spending Authority, and Capital Outlook to 2033. Key highlights of the proposals include:

Key Points:

- 2024 Operating request of \$410,056,809 with a \$18.2 million or 4.6 percent increase over 2023
- Incremental costs include the addition of forty-six additional staff, wage increments in accordance with collectively bargained working agreements, accounting treatment of Software as a Service (SaaS) projects, and inflationary increase in expenditures
- A 2024 Capital Spending Authority request of \$36,081,000, and a capital outlook to 2033 of \$219,243,000 include major facility, vehicle, information technology, communication and specialized equipment requirements

3. Background

At its June 28, 2023 meeting, the Board received correspondence from Treasurer Laura Mirabella and endorsed the proposed timeline for 2024 operating and capital budget development. The proposals have been informed by crime trends, workload analysis, social trends, efficiency initiatives, modernization initiatives demographics and economic conditions on safer communities. The 2024 proposals have been developed with regular updates to York Region’s Office of the Budget that has continued the desired close communication needed between finance staff of both organizations.

4. Analysis

CRIME RATES AND COST OF SERVICE DELIVERY CONTINUE TO BE LOW

On a national level, York ranks among the safest communities in almost every major crime category, when compared to the ten largest municipal police services in Canada (York, Peel, Toronto, Durham, Ottawa, Montreal, Vancouver, Winnipeg, Calgary and Edmonton). York has the third lowest Crime Severity Index rating, a measure that takes into account not only the volume of crime but also the severity of crime. In addition, York’s policing services are delivered at the lowest gross cost per capita among the top ten national municipalities.

2024 OPERATING BUDGET OVERVIEW

Each year, the budget provides the opportunity to optimize often competing factors of cost, risk, performance while continuing to meet the challenges of inflationary increases. Another key deliverable of the annual budget is to allocate resources to allow the organization to achieve its priorities and objectives outlined in the Business Plan. Similar to recent years, the

2024 proposal take a long-term view or incremental investment approach that was identified to be the best way to balance the needs of the community and improve public safety, while maintaining financial affordability.

Wage Costs Represent 81% of the Request

The incremental request for the 2024 Operating budget is \$18.2 million of which \$14.7 million is for wage related costs. This amount will meet contractual obligations for existing staff, reclassifications, annualization of 2023 hires and add forty-six staff in 2024. The forty-six additional staff includes twenty-one members to support safer communities, eleven members to support innovation and continuous improvement, ten members to support inclusion and belonging, and four members to support recruitment and retention.

Incremental Budget Changes to 2024 proposal, including:

1. \$5.0 million for operating expenditures to fund inflationary increases, contractual increases, and increases from the Region’s allocations;
2. \$1.0 million for debt principal, interest and reserve contributions; and
3. (\$2.5) million increases to revenues reflecting the newly approved provincial grant funding offset by modest decreases in service fees and charges volumes.

The net Operating budget request of \$410.1 million represents a 4.6 percent increase from 2023 shown in Table 1, as follows:

**Table 1
2024 Operating Budget Overview**

	Proposed
In 000’s	
Base Budget	\$391,886
Salaries and Benefits	
Increases for Wages & Reclassification	\$9,497
Annualization of 2023 Additional Staff	\$2,733
2024 Additional Staff	\$2,400
Expenditures	
Increase to Operating Expenses	\$5,019
Principal Interest and Reserve	\$1,021
Revenues, Grants and Recoveries	(\$2,499)
Net Operating Budget	\$410,057
Incremental Budget Increase (\$)	\$18,171
Incremental Budget Increase (%)	4.6%

Future Efficiency Initiatives for the Outlook years Operating Budget

Prior experience has shown improvement initiatives typically take more than one budget year to materialize to allow for thorough research, preparation, deliberation, implementation and evaluation. Upcoming initiatives currently underway affecting future budget years include using Community Support Officers for low priority call types community engagement, and the new Pre-Charge Diversion project. 2024 Operating Budget highlights are shown in Attachment 1.

CAPITAL BUDGET

The capital plan has been developed to provide the infrastructure necessary to deliver quality policing services in accordance with asset management planning. 2024 Capital Budget highlights are shown in Attachment 2.

Attachment 3 provides a summary of the 2024 to 2033 ten-year Capital budget of \$219.2 million including:

1. \$73.6 million in fleet replacements, including vehicles, specialty vehicles and boats.
2. \$68.5 million in facilities includes the replacement of a police district, a new aircraft hangar for AIR2 helicopter and renovation of existing facilities.
3. \$47.1 million in information technology to refresh and modernize service delivery, including the police in-car modernizations and digital evidence management system.
4. \$30.0 million for specialized and communications equipment.

This is inclusive of \$4.3 million re-budgeted from the 2023 capital budget.

Major updates from prior 10-year plan

Several new projects were added into the 10-year plan to meet the operational needs of the police service, including a construction project for an aircraft hangar for the police helicopter, a new substation located in Vaughan, a CCTV project, and investigative equipment.

The capital plan includes significant inflationary increases from two major areas. The vehicle project has seen an increase of 23 percent compared to the previous 10-year capital plan, based on recent quotes received for new and replacement vehicles and specialty vehicles. In addition, a major district construction project planned for the years of 2032-2034 has increased by 42 percent based on the Non-residential Building Construction Price Index.

The 10-year capital plan is reduced by \$36.8 million due to the transition of implemented Software as a Service IT projects from capital to operating budget. In recent years, IT projects have been shifting from the traditional model of hardware, software, or equipment purchases to a subscription or SaaS based model. With the subscription-based purchases, expenditures are no longer capitalized as assets. The ongoing subscription costs of the

SaaS projects are moved from the capital budget to the operating budget once fully implemented.

\$4.3 million re-budgeted from the 2023 capital budget

During development of the annual budget, budget unit staff review forecasts with project managers to identify budget impacts from project delivery. Re-budgeting is the process to move funding to future years. In 2024, a total of \$4.3 million is requested from 2023 Capital Budget to 2024, primarily due to warranty payment timeline of 240 Prospect renovation, vendor delivery delays, and implementation timelines of other projects. A full list of the proposed re-budgeted projects has been provided in Attachment 4.

Reporting Requirements

Section 39 of the Police Services Act, 1990 require budget estimates to be provided in the timelines and formats as established by Council. In recent months, budget unit staff have completed a series of submissions to York Region’s Office of the Budget to meet legislative requirements and for efficient communication of the budget estimates. Using prior years’ budget deliberations as possible timing, approval on October 25, 2023 would allow for consolidation of the estimates for inclusion in the Treasurer’s tabling of York Region’s Budget at Regional Council on November 23, 2023.

5. Financial

The total 2024 tax-levy requirements of \$410,056,809 results in an increase of \$18,171,049 or 4.6 percent over 2023 funding. The budget figures presented exclude assessment growth and regionally allocated costs, in accordance with budget guidelines provided annually from Office of the Budget. Funding sources for the 2024 Operating Budget are shown in Table 2, as follows:

**Table 2
Funding Sources for the 2024 Operating Budget**

	Tax-levy	Grants and Subsidies	Service Fees and Charges	Other	Gross Expenditures
Operating Budget (Gross)	\$410,056,809	\$15,314,100	\$15,155,020	\$9,894,691	\$450,420,620
Percentage	91%	4%	3%	2%	100%

Financing for the 2024 Capital Budget and Forecast to 2033 is a combination of contributions from reserves (operating tax-levy), debenture proceeds repaid from development charges, debt reduction reserve funding, development charge collections, police infrastructure

reserves and external funding – grant funding. Funding sources for the 2024 Capital Budget is shown in Attachment 5.

6. Conclusion

It is therefore recommended that the Board approve the 2024 Operating Budget, the 2025 and 2026 Operating Outlooks in principle, and the 2024 Capital Spend Authority. 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 November 23, 2023.

Accessible formats or communication supports are available upon request

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

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Attachments (5)

- Attachment 1 – 2024 Operating Budget Highlights
- Attachment 2 – 2024 Capital Budget Highlights
- Attachment 3 – 2024 Capital Budget and Outlook to 2033
- Attachment 4 – Proposed Re-budgeting of \$4.3 million from 2023 Capital
- Attachment 5 – 2024 Capital Funding Sources