

# **The Regional Municipality of York Police Services Board**

Public Board Meeting  
December 14, 2022

Report of the Chief of Police

## **2023 Operating and Capital Budgets**

### **1. Recommendations**

1. That the Board approve the 2023 Operating Budget with a tax-levy impact of \$391,543,831;
2. That the Board approve in principle the outlook for 2024 with a tax-levy impact of \$410,066,443 for financial planning purposes;
3. That the Board approve the proposed 2023 Capital Spending Authority totalling \$32,557,000; and
4. That the Board forward the 2023 Budget information for the Treasurer's tabling of The Regional Municipality of York's Budget at Regional Council on January 26, 2023.

### **2. Summary**

This report requests the Board's approval of the proposed 2023 Operating budget and Capital Spending Authority. Key highlights of the proposals include:

## Key Points:

- 2023 Operating request of \$391,543,831 with a \$14.6 million or 3.9 percent increase over 2022
- Incremental costs include the addition of forty-one additional staff, wage increments in accordance with collectively bargained working agreements, and inflationary increase in expenditures
- A 2023 Capital Spending Authority request of \$32,557,000 include major facility, vehicle, information technology, communication and specialized equipment requirements

### 3. Background

At its June 22, 2022 meeting, the Board received correspondence from Acting Treasurer Kelly Strueby and endorsed the proposed timeline for 2023 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 community safety and wellbeing. The 2023 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 eight largest municipal police services in Canada (York, Peel, Toronto, Ottawa, Montreal, Winnipeg, Calgary and Edmonton). York has the second 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 net cost per capita among municipalities serving populations greater than one million residents. Table 1 provides the national comparator crime statistics by category, as follows:

**Table 1**  
**National Crime Rate Comparison**

<b>National Rankings</b>	<b>1<sup>st</sup> Lowest</b>	<b>2<sup>nd</sup></b>	<b>3<sup>rd</sup></b>	<b>4<sup>th</sup></b>	<b>5<sup>th</sup></b>
Crimes Against Property	Peel	<b>York</b>	Ottawa	Montreal	Toronto
Crimes Against Persons	Peel	<b>York</b>	Ottawa	Calgary	Toronto
Total Criminal Code	Peel	<b>York</b>	Ottawa	Toronto	Montreal

<b>National Rankings</b>	<b>1<sup>st</sup> Lowest</b>	<b>2<sup>nd</sup></b>	<b>3<sup>rd</sup></b>	<b>4<sup>th</sup></b>	<b>5<sup>th</sup></b>
Crime Severity Index – Total	Peel	<b>York</b>	Ottawa	Toronto	Montreal
2021 Net Tax Levy Per Capita	<b>York</b>	Peel	Calgary	Ottawa	Toronto

In addition, Attachment 1 provides police indicators from the 2021 Municipal Benchmarking Network Canada report.

## **2023 OPERATING BUDGET OVERVIEW**

Each year, the budget provides the opportunity to optimize often competing factors of cost, risk, performance and, this year, to meet challenges of inflationary increases. Similar to recent years, the 2023 proposal take a long-term view or incremental investment approach that we feel is the best way to balance the needs of the community and improve public safety, while maintaining financial affordability.

### **Wage Costs Represent 79% of the Request**

The incremental request for the 2023 Operating budget is \$14.6 million of which \$11.5 million is for wage related costs. This amount will meet contractual obligations for existing staff, reclassifications, annualization of 2022 hires and additional forty-one staff in 2023. The forty-one additional staff includes twenty members to support safer communities, eleven members to support organizational transformation, and ten members to combat serious and violent crimes.

### **Amendments to the Operating Proposal**

Reductions were requested by the Board and Office of the Budget to operating and capital budget submissions. Operating reductions totaling (\$0.7M) million were requested to further reduce the tax levy increase, as follows:

1. Risk tolerance reduction of \$0.55 million by lower contributions to Police Infrastructure Reserve; and
2. Efficiencies of \$0.2 million from a reduction to additional staff from 45 to 41.

The amended net Operating budget request of \$391.5 million represents a 3.9 percent increase from 2022 shown in Table 2, as follows:

**Table 2**  
**2023 Operating Budget Overview**

	Proposed
<b>In 000's</b>	
Base Budget	\$376,910
<b>Salaries and Benefits</b>	
Increases for Wages & Reclassification	\$7,549
Annualization of 2022 Additional Staff	\$1,752
2023 Additional Staff	\$2,201
<b>Expenditures</b>	
Increase to Operating Expenses	\$3,744
Principal Interest and Reserve	\$196
<b>Revenues, Grants and Recoveries</b>	(\$809)
<b>Net Operating Budget</b>	<b>\$391,544</b>
Incremental Budget Increase (\$)	\$14,634
Incremental Budget Increase (%)	3.9%

Account-level details to the 2023 proposal, including:

1. \$3.7 million for operating expenditures to fund inflationary increases, contractual increases, and increases from the Region's allocations;
2. \$0.2 million for debt principal, interest and reserve contributions; and
3. (\$0.8) million increase to revenues reflecting the newly approved provincial grant funding offset by modest decreases in service fees and charges volumes.

### **Risks to the 2023 Operating Budget**

In any budget year, there are a number of assumptions that represent financial risks to the Board. York Region holds reserves to hedge against exceptional risks including a fuel stabilization reserve; a fiscal stabilization reserve to fund temporary revenue shortfalls; and a tax stabilization reserve for unforeseeable one-time expenditures. Key risks to the 2023 operating budget include uncertainty due to inflation volatility.

### **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:

1. Community Support Officers who will assist with canvassing for witnesses and video, providing security at insecure premises, assisting with road closures, and other low-risk calls for service; and
2. Continue the Call Diversion Unit Enhancement Project, by adding more call types to improve service delivery to community, and develop integration with Investigative tasks; and
3. Continue greening of the police vehicle fleet by replacing frontline patrol vehicles with hybrids potentially by the end of 2024. Each hybrid is estimated to reduce fuel consumption by 1,500 litres per year compared to a non-hybrid patrol vehicle; and
4. A review of Motor Vehicle Collision Reporting

## **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. Attachment 2 provides a summary of the 2023 to 2032 ten-year Capital budget of \$200.8 million including:

1. \$78.0 million in information technology to refresh and modernize service delivery, including the police in-car modernizations and digital evidence management system.
2. \$60.3 million in fleet replacements, including a helicopter replacement, vehicles, and boats.
3. \$33.1 million in facilities includes the initial phase of a new facility to consolidate leased premises, the warranty payment of #1 District Headquarters construction, and renovation of existing facilities.
4. \$29.4 million for specialized and communications equipment.

As the result of capital budget deferral, the proposed Capital budget and 10-year outlook is \$15.8 million below the budget allocation over ten years. This is inclusive of \$7.6 million re-budgeted from the 2022 capital budget.

### **Capital program group authority**

A change within the submission is to define the proposed capital budget as one program group. Budget approval by program group is consistent with other Regional departments and allows the flexibility to reprofile between projects within the same program group. Historically, the capital budget has been approved by the Board on an individual project level, limiting overall flexibility in managing variation in timing of projects.

### **\$7.6 million re-budgeted from the 2022 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 2023, a total of \$7.6 million is requested from 2022 Capital

Budget to 2023, primarily due to construction delays of 240 Prospect renovation, a final progress payment on the new helicopter, delivery timelines of Digital Evidence Management & In-car Camera and, other projects. A full list of the proposed re-budgeted projects has been provided in Attachment 4.

## Amendments to the Capital Proposal

The Office of the Budget requested amendments to the Capital proposal intended to sustain long-term credit worthiness. As a result, two projects were deferred by five to eight years totalling \$32.8 million impacting the Consolidated Leased Premises and replacement of the Radio System projects.

## 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 December 14, 2022 would allow for consolidation of the estimates for inclusion in the Treasurer’s tabling of York Region’s Budget at Regional Council on January 26, 2023.

## 5. Financial

The total 2023 tax-levy requirements of \$391,543,831 results in an increase of \$14,633,694 or 3.9 percent over 2022 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 2023 Operating Budget are shown in Table 3, as follows:

**Table 3**  
**Funding Sources for the 2023 Operating Budget**

	Tax-levy	Grants and Subsidies	Service Fees and Charges	Other	Gross Expenditures
Operating Budget (Gross)	\$391,541,831	\$14,786,500	\$13,183,800	\$10,504,052	\$430,018,183
Percentage	92%	3%	3%	2%	100%

Financing for the 2023 Capital Budget and Forecast to 2032 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 – proceeds from sale of equipment and from Fire Partners. Funding sources for the 2023 Capital Budget is shown in Attachment 5.

## 6. Conclusion

It is therefore recommended that the Board approve the 2023 Operating Budget, the 2024 Operating Outlook in principle, and the 2023 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 January 26, 2023.

---

Accessible formats or communication supports are available upon request

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

JMS/II

Attachments(5)-Attachment 1 – Municipal Benchmarking Network Canada  
-Attachment 2 – 2023 Capital Budget and Outlook to 2032  
-Attachment 3 – Proposed Re-budgeting of \$7,621,000 from 2022 Capital  
-Attachment 4 – Proposed 2023 Capital Budget Project Details  
-Attachment 5 – 2023 Capital Funding Sources

## ATTACHMENT 1: MUNICIPAL BENCHMARKING NETWORK CANADA

York Region maintains a long-standing partnership with the Municipal Benchmarking Network Canada with a goal that measurement will, "... inspire continuous improvement in the delivery of services to our communities." Shown below are MBNCanada's nine police indicators from the *2021 MBNCanada Performance Measurement Report* available online at:

<http://mbnCanada.ca/app/uploads/2022/10/2021-Police-Services.pdf>

The municipalities listed below are sorted left-to-right by population size and filtered for the four municipalities with population greater than 700,000, as follows:

**Table 1**  
**Municipal Benchmarking Network Canada Policing Performance Indicators**

Indicator	Calgary	York	Winnipeg	Durham
Police staff per 100,000 population	217	195	250	178
Total cost for police services per capita	\$405	\$342	\$430	\$339
Number of reported criminal code incidents (non-traffic) per police officer	37	19	41	22
Reported number of criminal code incidents (non-traffic) per 100,000 population	5,661	2,576	7,316	2,891
Reported number of violent criminal code incidents per 100,000 population	1,060	688	1,432	647
Total crime severity index	74	40	119	42
Violent crime severity index	86	46	168	52
Weighted total clearance rate	29.1%	39.4%	31.3%	43.6%
Weighted violence clearance rate	43.3%	60.0%	47.5%	58.8%

Many comparator police services across Canada are represented, however, participation is optional. The municipalities of Toronto, Montreal, Peel, Ottawa and Edmonton with population sizes closer to York's chose not to participate. A total of twelve municipalities reported in 2021.



**Attachment 2: 2023 Capital Budget and Outlook to 2032**

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total 2023-2032
<b>Vehicles</b>											
Vehicles	4,550	5,650	4,740	4,830	4,930	5,730	5,130	6,450	5,340	5,440	52,790
Marine Patrol Boat							250	1,220			1,470
Air Operations- Retrofits	100		100	1,218	718	578	919	100	152	881	4,766
Air Operations- Helicopter	1,263										1,263
<b>Sub Total Vehicles</b>	<b>5,913</b>	<b>5,650</b>	<b>4,840</b>	<b>6,048</b>	<b>5,648</b>	<b>6,308</b>	<b>6,299</b>	<b>7,270</b>	<b>5,492</b>	<b>6,321</b>	<b>60,289</b>
<b>Facilities</b>											
#1 District Headquarters	600	40									640
District/Major Renovations										12,750	12,750
Consolidated Leased Premises										2,600	2,600
240 Prospect Renovation	3,350										3,350
Renovations/Major Equipment to Existing Facilities	1,450	1,230	1,260	1,290	1,320	1,360	1,401	1,443	1,486	1,531	13,771
<b>Sub Total Facilities</b>	<b>5,400</b>	<b>1,270</b>	<b>1,260</b>	<b>1,290</b>	<b>1,320</b>	<b>1,360</b>	<b>1,401</b>	<b>1,443</b>	<b>1,486</b>	<b>16,881</b>	<b>33,111</b>
<b>Communication Equipment</b>											
Radio System	190										190
Portable and Mobile Radio Replacement	2,352						2,352	2,352			7,056
<b>Sub Total Communication Equipment</b>	<b>2,542</b>						<b>2,352</b>	<b>2,352</b>			<b>7,246</b>
<b>Information Technology</b>											
IT Hardware and Software	2,890	2,840	2,860	2,913	2,933	2,963	3,027	3,057	3,087	3,031	29,601
Disaster Recovery Plan	100										100
IT Infrastructure and Applications	1,249	969	969	969	969	969	969	969	969	969	9,970
Connected Officer	1,403	770	1,024	1,024	970	965	947	931	1,289	922	10,245
Digital Evidence and Camera Systems	1,620	1,928	1,864	1,867	1,873	1,879	1,885	1,936	1,941	1,947	18,740
Business Intelligence	610	170	170	170	170	170	100	100	100	100	1,860
People Systems	800	410									1,210
Closed-Circuit							716				716
Data Governance and Retention Management				1,000							1,000
YRPNet Re-write		150					150				300
Computer Aided Dispatch - Records Mgmt System				3,700	250					250	4,200
<b>Sub Total Information Technology</b>	<b>8,672</b>	<b>7,237</b>	<b>6,887</b>	<b>11,643</b>	<b>7,165</b>	<b>6,946</b>	<b>7,794</b>	<b>6,993</b>	<b>7,386</b>	<b>7,219</b>	<b>77,942</b>
<b>Specialized Equipment</b>											
Furniture/Body Armour/Use of Force	1,987	1,282	1,313	1,346	1,544	1,319	1,323	1,324	1,326	1,341	14,105
Robotics / Support Services	234	384	106			552	185				1,461
Forensic Equipment	541	264					247		616	126	1,794
Telephone									700		700
Technical Investigations	220	220	220	220	220	220	220	220	220		1,980
Road Safety								816			816
NG911 Backup Centre	1,358										1,358
<b>Sub Total Specialized Equipment</b>	<b>4,340</b>	<b>2,150</b>	<b>1,639</b>	<b>1,566</b>	<b>1,764</b>	<b>2,091</b>	<b>1,975</b>	<b>2,360</b>	<b>2,862</b>	<b>1,467</b>	<b>22,214</b>
<b>Total Gross Expenditures</b>	<b>26,867</b>	<b>16,307</b>	<b>14,626</b>	<b>20,547</b>	<b>15,897</b>	<b>16,705</b>	<b>19,821</b>	<b>20,918</b>	<b>17,226</b>	<b>31,888</b>	<b>200,802</b>

**Attachment 3:  
PROPOSED RE-BUDGETING OF \$7,621,000 FROM 2022 CAPITAL**

This attachment outlines the proposed for re-budgeting from 2022 to 2023, as follows:

**Table 1  
Proposed Re-Budgeting from 2022**

<b>Capital Projects</b>	<b>Re-budget Amount</b>	<b>Comments</b>
240 Prospect Renovation	\$3,350,000	To accommodate for construction contract timing.
Air Operations- Helicopter	\$1,263,000	Deferred due to contract terms and expected delivery date.
#1 District Headquarters	\$640,000	To accommodate the timing of construction holdback payment.
Digital Evidence Management	\$638,000	Pandemic-related component shortages.
Business Intelligence	\$440,000	Pandemic-related delays with consultants.
Connected Officer	\$373,000	Deferred for additional installation lead-time.
Specialized Equipment - Forensic Equipment	\$337,000	Expected procurement timing.
IT Infrastructure & Applications	\$280,000	Pandemic-related component shortages.
Disaster Recovery Plan	\$100,000	Integration components deferred.
Specialized Equipment - Firearms & CEW	\$100,000	Qualified users training schedule.
Air Operations - Retrofits	\$100,000	Contingency required.
<b>Total</b>	<b>\$7,621,000</b>	

## **Attachment 4:**

### **PROPOSED 2023 CAPITAL BUDGET PROJECT DETAILS**

#### **Information Technology - \$8,672,000**

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

1. Hardware and Software \$2,890,000- This annual project replaces end of useful life desktop computers, laptops and printers in accordance with the ever-greening replacement strategy, and annual Microsoft licences.
2. Digital Evidence Management and In-car Cameras \$1,620,000 – This modernization initiative will streamline the evidence management process, increase operational efficiencies, and reduce server storage.
3. Connected Officer and In-Car modernization \$1,403,000 – The project delivers modernization and connectivity to officers and vehicles, implementing efficiencies including in-car tablets, mobile equipment and e-notes.
4. Infrastructure and Applications \$1,249,000 - This project targets the expanding records retention needs of the organization and new information technology initiatives.
5. People System \$800,000 – The project improves the recruitment, promotion, and staff development process.
6. Business Intelligence \$610,000 – This annual project for business intelligence systems build additional dashboards tailored to police operations by providing accurate and timely key performance indicator information that enables management to make effective decisions.
7. Disaster Recovery Plan \$100,000 - The project will deliver a backup data centre to ensure business continuity in the event of failure at the primary data centre.

#### **Vehicles - \$5,913,000**

This category includes annual projects for the addition and replacement of marked, unmarked, and vehicles for special purposes such as air operations and vessels. The 2023 plan includes the final payment of replacement of the AIR2 helicopter for \$1,263,000 and replacement and changeover of vehicles for \$4,550,000. Front line vehicles replaced at approximately 180,000 kilometres. The replacement Ford Utility Hybrid vehicles generate fuel efficiency of approximately 1,500 litres of gasoline saved per vehicle per year, equivalent to \$2,325 per vehicle per year at 2022 fuel wholesale price. 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.

## **Facilities - \$5,400,000**

The following four facilities projects are proposed for the 2023 Budget:

1. 240 Prospect Renovation \$3,350,000 – The 2023 portion is for architect fees and construction to support major renovations of the former #1 District Headquarters. The Capital Spend Authority for this project is increased by \$1.8 million due to unexpected mechanical changes and inflation in construction cost. The total budget of the project is at \$3.95 million over three years.
2. Renovations to Existing Facilities \$1,450,000 – As identified through building condition assessments, this project will replace paving and curbing at #2 District, windows at #5 District, and renovations relating to organizational changes.
3. #1 District Headquarters \$600,000 – The 2023 portion is for the warranty payment after the completion of the construction and expenditures for finishing materials, furniture, signage, and equipment. The Capital Spend Authority for this project is decreased by \$1.3 million and at an estimated final cost of \$24.4 million.

## **Specialized Equipment - \$4,340,000**

The following three specialized equipment projects are being proposed:

1. Specialized equipment \$1,987,000 – Projects include furniture, uniform equipment, firearms and conductive energy weapons.
2. NG911 Backup Centre \$1,358,000 – The budget includes furniture, communication system, and information technology infrastructure system for the backup centre of the next generation 911 communication centre.
3. Specialized Equipment- Forensic \$541,000 - The budget includes forensic lab equipment replacement for microscope, alternate lighting sources, lab oven, and printer plotters.
4. Remaining specialized equipment \$454,000 – Projects include the replacement of emergency response unit equipment, remote piloted aircraft, road safety equipment, and system for the interception rooms

## **Communication Equipment - \$2,542,000**

The communication equipment projects reflect the ongoing replacement and betterment of communication technologies, including:

1. Portable and Mobile Radio Replacement \$2,352,000- This project will replace portable and mobile radios. The total budget of this project is \$4.6 million over three years representing replacement of all existing radios.
2. Radio system \$190,000 – The project is for annual betterments of the Motorola radio system.

## ATTACHMENT 5: 2023 CAPITAL FUNDING SOURCES

This attachment shows funding sources for the 2023 and 10-year Capital Budget. Financing for the capital plan is a combination of contributions from tax levy funded reserves including assets replacement reserves and debt reduction reserve, from development charges for growth related projects and external funding from auction proceeds and shared services partners.

**Table 1**  
**2023 Capital Funding Sources**

Category	Reserves – Operating Tax-levy	Debt Reduction Reserve	Development Charges	Police Infrastructure Reserve	External Funding	Total
Vehicles	\$3,321,000	\$995,000	\$1,597,000	\$0	\$0	\$5,913,000
Facilities	\$1,160,000	\$523,000	\$3,717,000	\$0	\$0	\$5,400,000
Information Technology	\$3,362,000	\$2,188,000	\$1,222,000	\$1,900,000	\$0	\$8,672,000
Specialized Equipment	\$533,000	\$1,519,000	\$2,255,000	\$33,000	\$0	\$4,340,000
Communication Equipment	\$1,717,000	\$81,000	\$665,000	\$0	\$79,000	\$2,542,000
<b>2023 Total</b>	<b>\$10,093,000</b>	<b>\$5,306,000</b>	<b>\$9,456,000</b>	<b>\$1,933,000</b>	<b>\$79,000</b>	<b>\$26,867,000</b>
Percentage	38%	20%	35%	7%	0.3%	100%
<b>Ten-Year Total</b>	<b>\$72,732,000</b>	<b>\$38,196,000</b>	<b>\$64,522,000</b>	<b>\$25,273,000</b>	<b>\$79,000</b>	<b>\$200,802,000</b>
Percentage	36%	19%	32%	13%	0.04%	100%