

# **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
<b>In 000's</b>	
Base Budget	\$391,886
<b>Salaries and Benefits</b>	
Increases for Wages & Reclassification	\$9,497
Annualization of 2023 Additional Staff	\$2,733
2024 Additional Staff	\$2,400
<b>Expenditures</b>	
Increase to Operating Expenses	\$5,019
Principal Interest and Reserve	\$1,021
<b>Revenues, Grants and Recoveries</b>	(\$2,499)
<b>Net Operating Budget</b>	<b>\$410,057</b>
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**

	<b>Tax-levy</b>	<b>Grants and Subsidies</b>	<b>Service Fees and Charges</b>	<b>Other</b>	<b>Gross Expenditures</b>
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.

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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

# Attachment 1: 2024-2026 Operating Budget Highlights

## 1. OVERVIEW OF 2024-2026 OPERATING BUDGET

### 2024-2026 Budget Highlights – Operating Budget Summary

(in \$000s)	2023 Budget	2024 Proposed	2025 Outlook	2026 Outlook
Operating Expenditures	428,842	448,647	465,127	481,632
Revenues	(38,474)	(40,364)	(40,940)	(41,278)
Allocations and Recoveries	1,518	1,773	1,954	2,057
<b>Net Budget</b>	<b>391,886</b>	<b>410,057</b>	<b>426,141</b>	<b>442,411</b>
<b>% Change</b>		<b>4.64%</b>	<b>3.92%</b>	<b>3.82%</b>
<b>Proposed New FTE's</b>		<b>46</b>	<b>31</b>	<b>36</b>

#### Key Points:

- The FTE request in the outlook years takes into account factors of population growth and crime trends.
- In the outlook years there is budget pressure resulting from the treatment of SaaS projects, which shift from capital budget to operating once projects are fully implemented. In 2025, this transition represents a cost \$1.6M, to be entirely offset by a reduction in contributions to YRP Infrastructure Reserve, resulting in no net impact on the tax levy. In 2026, an additional \$0.7M was transferred to operating budget from capital. These amounts are based on the current SaaS projects in implementation phase, and may increase as more capital projects transition to a subscription model.
- The 2025 and 2026 operating pressures are partially mitigated by other factors, including an increase in risk tolerance related to revenues and grant funding. Revenue budget has been increased for paid duty requests to reflect current volumes. There is risk that volumes may not continue at the current pace. Additionally, while grant revenues are historically included in budget based on signed agreements with the province, York Regional Police has taken on increased risk by incorporating funding from pending grant applications.
- The proposed 2024 and outlook years but requests assume zero budgetary pressures from the COVID-19 pandemic, operating and revenue impacts have been removed from the current submission.

## 2. 2024-2026 Efficiencies and Savings

Efficiencies: 2024 and outlook years proposed budget includes fuel efficiencies from replacing frontline police vehicles with Hybrid Technology.

	2024	2025	2026
Fuel Savings (Ltr)	472,606	505,785	505,785
Fuel Savings (Cost)	\$ 652,196	\$ 697,983	\$ 697,983

### Savings from Increased Risk Tolerance in Grant Revenue

	2024	2025	2026
Grant Revenue Increase	\$528,000	\$500,000	\$250,000

## 3. SUMMARY OF ADDITIONAL STAFF

- Safer Communities (21 positions) - York Regional Police is committed to support the safety and well-being of our members and our community by continuing to develop member capabilities in order to provide access and resources to our community that go beyond the incidence of crime or crisis.
- Inclusion & Belonging (10 positions) - York Regional Police will strengthen inclusion and belonging by putting in place resources and supports to develop strategies and implement action plans that will continue to build trust within the organization and community.
- Innovation & Continuous Improvement (11 positions) - York Regional Police continues to be a leader in policing and is steadfast in efforts to enhance services and processes that improve the experiences of our members and the community we serve.
- Recruitment & Retention (4 positions) - York Regional Police is dedicated to promoting a people-first approach to recruit, retain, and enhance talent in order to best serve our community.

## 4. PRESSURES AND RISKS

- The accounting treatment of SaaS projects in implementation phase may result in further increase in operating budget as more capital projects move to subscription-based solutions. Although these incremental costs from capital to operating budget could be partially offset by reducing contributions to capital reserves, the shift may lead to pressures in the operating budget request.
- Grant revenues are historically included in budget based on signed agreements with the province. YRP has increased risk tolerance by adding grant funding to the outlook for pending grant applications.



- Inflationary increases in the outlook years are budgeted based on current economic assumptions. There is a risk associated with these projections, as changes in inflation assumptions could impact the budget.

## **5. SUMMARY OF COVID-19 OPERATING IMPACTS**

- There are no COVID-19 operating impacts identified in the submission.

## Attachment 2: 2024 Capital Budget Highlights

### Updates to 10-Year Capital Plan

1. Several new projects were added into the 10-year plan to meet the operational needs of the police service, including a \$6.0 million construction project for an aircraft hangar for the police helicopter, \$4.0 million for CCTV equipment, \$1.5 million for a new substation located in Vaughan, and \$1.8 million for specialized equipment. Due to the upcoming closure of Buttonville Municipal Airport, there is an operational need for a new aircraft hangar in order to maintain AIR2 helicopter within the Region. The CCTV project is a proactive measure which aims to combat crime and violence by leveraging video surveillance systems. In addition, funds are requested for a Community Substation in the newly established Vaughan Metropolitan Center (VMC).
2. Two major areas show significant fluctuations due to inflationary increases, resulting in a \$22.7 million increase in the 10-year capital plan. The vehicle project has seen an increase of 23% compared to the previous 10-year capital plan, based on recent procurement awards 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% based on the Non-residential Building Construction Price Index.
3. 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.

### Budget Challenges and Risks

The following project groups are identified as risks over the next ten years.

**Risk 1:** The capital construction and facilities renovation projects could experience inflationary increases and delays depending on the progress of permits, architect designs, and construction schedules. Since the pandemic recovery period, the construction prices have been fluctuating posing a risk of project delays and potential budget increase due to higher costs.

**Risk 2:** The contract for the radio system restoration will end in 2025 and the process to obtain a five-year renewal is underway. Based on early estimates received, a higher-than-expected price increase could potentially impact the current capital outlook for the period of 2026-30. The outlook budgeted amount is based on the current contract plus inflation.

**Attachment 3: 2024 Capital Budget and Outlook to 2033**

Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total 2024-2033
<b>Vehicles</b>											
Vehicles	7,709	5,564	5,675	5,789	7,005	6,023	8,963	6,266	6,391	6,519	65,904
Marine Patrol Boat						300	1,220				1,520
Air Operations- Retrofits		100	1,218	718	578	919	100	152	881	1,481	6,147
<b>Sub Total Vehicles</b>	<b>7,709</b>	<b>5,664</b>	<b>6,893</b>	<b>6,507</b>	<b>7,583</b>	<b>7,242</b>	<b>10,283</b>	<b>6,418</b>	<b>7,272</b>	<b>8,000</b>	<b>73,571</b>
<b>Facilities</b>											
District/Major Renovations	7500								18,000	18,000	43,500
Consolidated Leased Premises									2,600	5,900	8,500
240 Prospect Renovation	500										500
145 Harry Walker Parkway	1,500										1,500
Renovations/Major Equipment to Existing Facilities	1,830	1,260	1,290	1,320	1,360	1,401	1,443	1,486	1,531	1,580	14,501
<b>Sub Total Facilities</b>	<b>11,330</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>22,131</b>	<b>25,480</b>	<b>68,501</b>
<b>Communication Equipment</b>											
Radio System			241	241	241	241	241				1,205
Portable and Mobile Radio Replacement						2,352	2,352				4,704
<b>Sub Total Communication Equipment</b>			<b>241</b>	<b>241</b>	<b>241</b>	<b>2,593</b>	<b>2,593</b>				<b>5,909</b>
<b>Information Technology</b>											
IT Hardware and Software	3,195	1,860	1,230	1,250	1,280	1,310	1,340	1,370	1,280	1,310	15,425
IT Infrastructure and Applications	969	969	319	319	319	319	319	319	319	319	4,490
Connected Officer	390	644	644	590	585	567	551	909	542	542	5,964
Digital Evidence and Camera Systems		800	800	800	800	800	800	800	800	800	7,200
Business Intelligence	780	170	170	170	170	100	100	100	100	100	1,960
People Systems	800	410									1,210
Closed-Circuit	400	400	400	400	400	1,116	400	400	400	400	4,716
Data Governance and Retention Management			1,000								1,000
YRP Websites	600	150				150					900
Computer Aided Dispatch - Records Mgmt System			3,700	250					250		4,200
<b>Sub Total Information Technology</b>	<b>7,134</b>	<b>5,403</b>	<b>8,263</b>	<b>3,779</b>	<b>3,554</b>	<b>4,362</b>	<b>3,510</b>	<b>3,898</b>	<b>3,691</b>	<b>3,471</b>	<b>47,065</b>
<b>Specialized Equipment</b>											
Furniture/Body Armour/Use of Force	1,282	1,313	1,346	1,544	1,319	1,323	1,324	1,326	1,341	1,091	13,209
Robotics / Support Services	509	106			552	185				106	1,458
Forensic Equipment	533	270				247		616	126	204	1,996
Telephone								700			700
Technical Investigations	2,020	220	220	220	220	220	220	220		1,100	4,660
Road Safety							816				816
NG911 Backup Centre										1,358	1,358
<b>Sub Total Specialized Equipment</b>	<b>4,344</b>	<b>1,909</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>3,859</b>	<b>24,197</b>
<b>Total Gross Expenditures</b>	<b>30,517</b>	<b>14,236</b>	<b>18,253</b>	<b>13,611</b>	<b>14,829</b>	<b>17,573</b>	<b>20,189</b>	<b>14,664</b>	<b>34,561</b>	<b>40,810</b>	<b>219,243</b>

## ATTACHMENT 4: PROPOSED RE-BUDGETING OF \$4,293,000 FROM 2023 CAPITAL

This attachment outlines the proposed for re-budgeting from 2023 to 2024, as follows:

**Table 1**  
**Proposed Re-Budgeting from 2023**

Capital Projects	Re-budget Amount	Comments
Digital Evidence Management	\$1,040,000	Deferred for SaaS treatment
People Systems	\$800,000	Project delay
Business Intelligence	\$610,000	Project delay
Renovations for Existing Facilities	\$500,000	To accommodate for vendor delivery
240 Prospect Renovation	\$500,000	Construction holdback payment
Connected Officer	\$380,000	To accommodate vendor delivery
Forensic Equipment	\$269,000	Project delay
IT Hardware and Software	\$194,000	Project delay
<b>Total</b>	<b>\$4,293,000</b>	

## ATTACHMENT 5: 2024 Capital Funding Sources

This appendix shows funding sources for the 2024 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**  
**2024 Capital Funding Sources**

Category	Reserves – Operating Tax-levy	Debt Reduction Reserve	Development Charges	Police Infrastructure Reserve	External Funding	Total
Vehicles	\$4,168,000	\$0	\$2,081,000	\$1,460,000	\$0	\$7,709,000
Facilities	\$1,464,000	\$950,000	\$8,916,000	\$0	\$0	\$11,330,000
Information Technology	\$2,030,000	\$2,454,000	\$800,000	\$1,650,000	\$200,000	\$7,134,000
Specialized Equipment	\$761,000	\$1,475,000	\$2,108,000	\$0	\$0	\$4,344,000
<b>2024 Total</b>	<b>\$8,423,000</b>	<b>\$4,879,000</b>	<b>\$13,905,000</b>	<b>\$3,110,000</b>	<b>\$200,000</b>	<b>\$30,517,000</b>
Percentage	27%	16%	46%	10%	1%	100%
<b>Ten-Year Total</b>	<b>\$72,656,000</b>	<b>\$41,411,000</b>	<b>\$96,094,000</b>	<b>\$7,082,000</b>	<b>\$2,000,000</b>	<b>\$219,243,000</b>
Percentage	33%	19%	44%	3%	1%	100%