




HAMILTON POLICE SERVICE

RECOMMENDATION REPORT

TO:	Chair and Members Hamilton Police Services Board
BOARD MEETING DATE:	December 14, 2023
SUBJECT:	2024 Operating and Capital Budget
REPORT NUMBER:	23-109
SUBMITTED BY:	Frank Bergen, Chief of Police
SIGNATURE:	

RECOMMENDATION(S)

That the Hamilton Police Service Board (Board):

1. Approve the proposed 2024 Hamilton Police Service (HPS) operating and capital budget, representing an increase of 6.88% over the approved 2023 HPS budget, for a total combined budget of \$206,921,005.
2. Approve the inclusion of the proposed *PSA Section 4(3)* budget items, representing a 3.36% increase, in the 2024 HPS combined budget subject to a reduction for all such items included in the City of Hamilton's (City) approved 2024 Target Tax (operating & capital) Budget.
3. Submit the proposed 2024 combined budget to the City Council for approval.

Key Facts:

- Police services in Ontario are governed and legislatively mandated to comply with the *Ontario Police Services Act (PSA)*.
- Under *Section 4(1)* of the *PSA*, every municipality is responsible for providing adequate and effective police services.
- Under *Section 4(3)* of the *PSA*, a municipality is also responsible for providing all infrastructure and administration necessary for providing police services, including vehicles, boats, equipment, communication devices, building and supplies. In the 2024 budget, *PSA Section 4(3)* expenditures account for a 3.36% budget increase.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

- In accordance with the *PSA*, the Board is required to submit operating and capital estimates that show the amount required to maintain the police service.
- The Board submits the funding request to City Council for the upcoming year after reviewing and approving the Service's detailed budget submission.
- The proposed 2024 combined budget of \$206.9M reflects the cost of providing adequate and effective police services in the City.
- The proposed 2024 combined budget is a 6.88% increase from the approved 2023 budget.
- The operating and capital budget increases relating to the recommendations set out in this report is summarized as follows:

Description	Recommendation 1		Recommendation 2	
	HPS	%	PSA Section 4(3)	%
Operating Budget	\$202,129,230	6.25%	\$ 529,640	0.27%
Capital Budget	\$ 4,791,775	0.63%	\$5,972,000	3.09%
Total HPS Budget	\$206,921,005	6.88%	\$6,501,640	3.36%

% change over the approved 2023 combined budget, anomalies due to rounding.

EXECUTIVE SUMMARY

The proposed 2024 combined budget includes resources necessary to support adequate and effective policing for the City. This resource requirement is based on adequacy standards as mandated under the *PSA* best practices developed within the policing industry in response to public safety concerns and the Board's Strategic Plan.

The HPS is consistently looking for innovative and fiscally responsible approaches to better provide services to the community as well as processes to most efficiently and effectively utilize the existing resources.

The 2024 budget development process included an environmental scan, as well as an internal scan, to identify any potential cost pressures on existing expenditures and/or opportunities from emerging best practices in policing. An internal scan included a line-by-line program review that compares program budgets to historical spending patterns, identifying pressures from workload demand and consideration for strategies to provide a more efficient service delivery model.

The HPS Senior Leadership Team (SLT) has performed comprehensive budget submissions, planning and budget reviews of their Division, Branches, Units and program areas as part of the proposed 2024 budget.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

The proposed 2024 budget was presented to the Board’s Budget Committee on November 23 and December 1. The proposed 2024 combined budget represents increases to both operating and capital expenses, which is an increase of 6.88% (\$206.92M) over the approved 2023 combined budget. This increase is detailed in the sections below.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

Table below shows the proposed 2024 combined budget (operating & capital) representing an overall increase of \$13.32M or 6.88% over the approved 2023 combined budget.

Description	Approved 2023 Budget	Proposed Increase	2024 Proposed Budget	% Change
Operating Budget	\$190,020,482	\$12,638,388	\$202,658,870	6.53%
Capital Budget	\$ 3,575,526	\$ 7,188,249	\$ 10,763,775	3.71%
Less: PSA Section 4(3) Items		\$(6,501,640)	\$ (6,501,640)	(3.36)%
Total HPS Budget	\$193,596,008	\$13,324,997	\$206,921,005	6.88%

% change over the approved 2023 combined budget, anomalies due to rounding.

Staffing:

In order to sustain core services, meet legislative and technology requirements, implement jury inquest recommendations and support the Board’s Strategic Plan, additional staffing resources are required.

The proposed 2024 budget requests the following FTEs:

- 2 Sworn Detective Constables and 1 Civilian Support Worker (Inquest Recommendation)
- 4 Civilian Communications Operators (NG911 – Legislative Requirements)
- 9 Civilian – Service wide (Supporting the Board’s Strategic Plan)

In addition, the proposed 2024 budget reflects 13 Sworn Constables FTEs as previously approved as part of the 10-year Human Capital deployment.

Legal Implications:

Not applicable.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

INFORMATION

In accordance with Section 39 of the *PSA*, the Board is required to approve annual budget allocations to provide the funding necessary for police service operations. The annual operating and capital budgets, in alignment with the Board's Strategic Plan, establish the means and methods for the successful execution of the Service's strategic priorities, while meeting the policing needs of the community, in an adequate, effective and efficient manner.

A comprehensive budget review was conducted which involved analyzing all expense and revenue categories for the past three (3) years, reviewing current year-to-date actuals, as well as evaluating additions for mandatory and non-discretionary expenses. The challenge is to identify sustainable reductions of non-essential items and services while balancing evolving legislative requirements of the *PSA*. This remains a complex and challenging undertaking as staffing costs account for approximately 90.32% of the total 2024 gross operating budgeted expenditures.

The following categories represent the major cost pressures contributing to the increase in the proposed 2024 budget:

- Sustaining Core Services
- WSIB Pressures
- Legislative Requirements
- Technology Requirements
- Supporting the Board's Strategic Plan
- Inquest Recommendations

Vision: To be a trusted partner in delivering public safety.

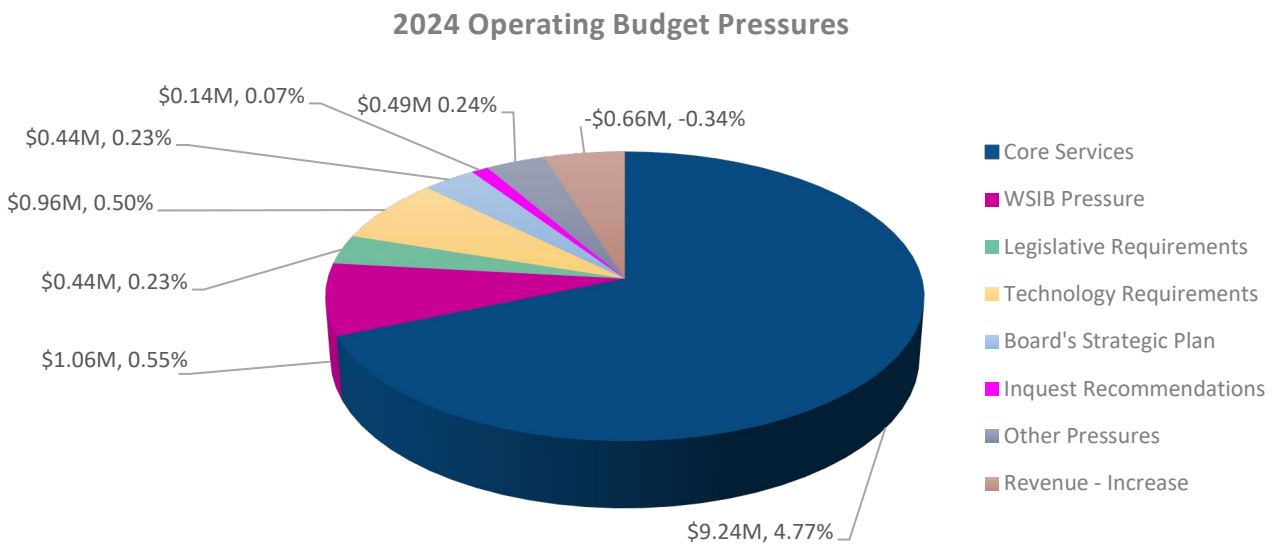
Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

2024 OPERATING BUDGET *(Appendix A)*

The proposed 2024 operating budget is \$202.13M, which is a \$12.11M or 6.25% increase to the 2023 approved combined budget.

The chart below summarizes the key drivers for this increase, which are explained in sections to follow.



Sustaining Core Services

Sustaining core services accounts for \$9.24M or 4.77% increase. This category reflects and represents our human resource costs which is approximately 90.32% of the total 2024 gross operating budgeted expenditures. Human resource costs represent the most significant budget pressure each year and are mainly related to negotiated collective agreements impacts.

Description	Increase	%
Collective Agreement Wage Settlements	\$3.32M	1.71%
Statutory Deductions and Employer Benefits	\$1.96M	1.01%
2023 Program Changes Annualized (Sworn & Civilian, PSB 22-109)	\$2.54M	1.31%
2023 Approved Backfills (Sworn & Civilian, PSB 23-037 & 23-070)	\$0.90M	0.47%
2024 Sworn FTEs (10-year Human Capital Deployment)	\$0.44M	0.23%
Other Inflationary Pressures	\$0.08M	0.04%
Total Sustaining Core Services – Incremental Increase	\$9.24M	4.77%

% change over the approved 2023 combined budget, anomalies due to rounding.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

The following are the major contributors to the increase in this category:

- Collective agreement salary adjustment, performance pay, natural step/grade progressions, service pay, overtime, merit and job evaluation increases. The front-line premium for Sworn members assigned to front-line patrol duties is increasing to 1.50% and 2.0% during 2024, as set out in the Sworn Collective Agreement. An estimated percentage increase is used to reflect a potential contractual increase for the 2024 budget. The increase was determined by reviewing Ontario's Big 12 Police Services with Collective Agreements already in place.
- The Service is subject to significant increases to employer provided and statutory benefits (ie. OMERS, health & dental benefits, EI & enhanced CPP), as well as retiree benefits. The 2024 budget includes a year-over-year (YOY) increase of 10% in employer provided benefit rates, which reflect the cost of inflationary health and dental product and service pricing as well as an increase in member claims and benefits usage. Statutory employer paid benefits, such as Canada Pension Plan (CPP) and Employment Insurance (EI), are scheduled to increase, resulting in a YOY increase of 9.98%. The combined impact of employer provided and statutory benefits imposes a pressure of \$1.96M or 1.01% on the 2024 budget.
- An additional \$2.54M or 1.31% has been added to the 2024 budget to reflect annualization of 2023 program changes with respect to thirteen (13) Sworn and eighteen (18) Civilian FTEs. The increase to the 2024 budget represents the remaining compensation costs required to fund these positions for a full year.
- During 2023, the Board approved, through Board Reports 23-037 and 23-070, a total of eighteen (18) backfills, which consists of sixteen (16) Sworn and two (2) Civilian members. This will provide much needed staffing support for any Sworn or Civilian members on WSIB leave for 5-years or more and for which there is no current prognosis for a return to work. The salary and benefits of the backfills increase the 2024 budget by approximately \$0.90M or 0.47%, with an effective start date of September 2024 for Sworn and January 2024 for Civilian.

	Sworn	Civilian
Salary	\$1,591,215	\$179,280
Benefits	421,880	48,490
Total – Annual Impact	\$2,013,095	\$227,770
Total – 2024 Impact	\$671,032	\$227,770
2024 Impact %	0.35%	0.12%

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

- The budget reflects an additional thirteen (13) 4th Class Constables in 2024, with an effective start date of September 2024 – an impact of 0.23%. These represent the 2024 cohort of the Board’s 10-year Human Capital deployment FTEs intended to help ensure that the number of Police Officers increases commensurate to the expected population growth in the City.

	Amount
Salary	\$1,016,317
Benefits	293,710
Total – Annual Impact	\$1,310,027
Total – 2024 Impact	\$436,676
2024 Impact %	0.23%

- Other inflationary pressures represent costs associated with staff development. Contributing factors are increase in 2023 FTEs, higher training/professional development registration fees as well as increased travel costs.

WSIB Pressure

Ever since the introduction of presumptive post-traumatic stress disorder (PTSD) legislation for first responders in 2016, the HPS has experienced significantly higher WSIB costs which has resulted in an increased level of both workplace and non-workplace related leaves. In addition, and as instructed from the City’s Corporate Finance department, the accounting methodology for WSIB recoveries for 2024 has changed and revised from 2023. This has resulted in additional budgetary pressures with a net impact of \$1.06M or a 0.55% increase to the 2024 budget. This increase is to account for a rise in claims experienced and wage settlements. Below is a summary of the change in the accounting methodology along with the 2024 WSIB impact.

	Amount
WSIB Payments	\$5,933,023
WSIB Benefit Recovery	(2,761,100)
Total WSIB Expenditure	3,171,923
Contribution from City’s Workplace Health & Safety Reserve	(2,114,600)
Total – 2024 Impact	\$1,057,323
2024 Impact %	0.55%

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

Legislative Requirements

The Ministry of the Solicitor General has presented a proposed regulation under the Community Safety and Policing Act, 2019 (CSPA), as part of the Comprehensive Ontario Police Services Act, 2019. The proposed CSPA outlines regulatory requirements including mandatory additional training for both Sworn and Civilian members of Police Services. As a result, additional training resources are required to support the new CSPA requirements and the new Ontario Police College Basic Constable Training program which create a higher need for specialized training courses Service-wide to meet and comply with these legislative requirements. The cost associated is approximately \$0.27M or 0.14% increase to the 2024 budget.

The Canadian Radio-television and Telecommunications Commission (CRTC) mandated that all telephone companies update the network to provide Next Generation 911 (NG911) service to all Canadians, with full project completion by March 2025. HPS Communications Branch is the primary Public Safety Answering Point (PSAP) for all emergency 911 calls across the City. The City commissioned Federal Engineering, an external consultant, to study the current environment, monitor CRTC and other legislative requirements and provide guidance and recommendations to implement NG911, including staffing requirements. This review of the Service's Communications Branch staffing levels concluded that it was not sufficient to meet increasing calls for service or the additional demands that new technology, case law, and Ministry requirements place on Communications Operators. Based on this review, four (4) additional Communications Operators will be added in 2024, with an effective start date of September 2024, to ensure the HPS meets the service delivery requirements under the Public Emergency Report Services agreement and the future needs of NG911. The operating impact of the NG911 implementation accounts for approximately \$0.17M or 0.09% increase.

	Amount
Salary	\$408,600
Benefits	105,250
Total – Annual Impact	\$513,850
Total – 2024 Impact	\$171,283
2024 Impact %	0.09%

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

Technology Requirements

The major drivers for technology cost pressures include the Digital Evidence Management (DEMs), increases in the cost and number of licenses required for various existing program hardware and software, and mobile devices deployment. These cost pressures result in a \$0.96M or 0.50% increase over the 2023 approved budget. Specifically:

- As of October 2023, a total of 78 uniform patrol vehicles have been outfitted with the In-Car Camera (ICC) and Automated License Plate Reader (ALPR) technology. This technology allows for the capture of evidence and enables police vehicles to alert an officer when a license plate is flagged. The collected evidence/videos get uploaded into the HPS DEMs, a Cloud based solution, which allows for efficient data gathering, organizing and sharing with partner agencies and courts. This results in additional DEMs licenses costs which was approved by the Board through PSB 22-096.
- Additional Microsoft Office365 software licenses have been added to the 2024 budget to reflect funds required for a full year due to the 2023 program changes.
- Currently, there are three hundred (300) mobile phones deployed to members of the Service. Officers rely on the use of mobile devices to conduct interviews in the field and upload data directly into DEMs. This allows for quick turn-around times, workload efficiencies as well as increased productivity on the front-line. As a result, the HPS plans to rollout additional mobile devices in 2024, which will result in additional data plans and data line costs. This initiative seeks to address and improve Officer workload, increase operational efficiency, and support the electronic note/ticket project.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

Supporting the Board's Strategic Plan

Every four (4) years, Police Services across Ontario are required to develop a Strategic Plan. This work is an important part of the Board's governance role as the Strategic Plan establishes goals, priorities, and direction of the HPS. A total of forty-five (45) actionable projects were identified, which are designed to move the HPS forward. The strategic roadmap for 2023-2026 is anchored in five (5) essential priorities with nine (9) key objectives.

Priorities	Objectives
Community Safety	Reduce Crime Severity Increase Public Perception of Safety Decrease Victimization/Re-Offence Rate
Collaborative Engagement	Enhance Community Engagement
Culture and Capacity	Improve Member Engagement Succession Planning Service Delivery Strategy
Core Assets	Commitment to Modernization & Member Satisfaction
Trusting Change	Community Satisfaction

The Service has identified the need for nine (9) additional Civilian FTEs to support the implementation and completion of strategic initiatives identified for 2024, with an impact of \$0.38M or 0.20% to the 2024 budget. A breakdown of the costs related to nine (9) Civilian positions is provided below.

	Amount
Salary	\$848,980
Benefits	305,520
Total – Annual Impact	\$1,154,500
Total – 2024 Impact	\$384,833
2024 Impact %	0.20%

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

Completing these actionable projects will not only significantly enhance the Service's performance but also better align strategic projects with the overall vision of the Service.

Positions	# of FTEs	
Community Safety <ul style="list-style-type: none"> • Crime Analyst Supervisor 	1	Identify emerging crime trends, implement effective means to manage all crime through analytics, address the current gap in data analysis
Collaborative Engagement <ul style="list-style-type: none"> • Corporate Communications Coordinator 	1	Build relationships and foster genuine, comprehensive and transparent communication with communities as well as promoting information sharing and strengthening mutual respect.
Culture and Capacity <ul style="list-style-type: none"> • Organizational Development Specialist • Recruitment & Outreach Specialist • Special Constable 	1 0.50 1	Attract and retain, deploy resources to effectively manage workload, continue to implement employee wellness initiatives, foster and demonstrate exemplary leadership, deliver effective training and succession planning.
Core Assets <ul style="list-style-type: none"> • Automotive Technician/Upfitter • Court Document Clerks • Financial Analyst • Niche Trainer 	1 2 0.50 1	Develop and implement long-term plan for technology, facilities and fleet, create internal and external efficiencies, implement digital solutions and new processes that improve service delivery, provide members with the required uniforms/equipment to effectively perform their duties and meet all legislated requirements.
Total Civilian FTEs	9	

Furthermore, one of the Strategic Plan's objectives is to enhance community involvement, engagement, and satisfaction. As a result, an annual Community Satisfaction Survey will be conducted by a third party to gather input from the community on key issues, such as perception of safety in the City, community satisfaction, trust, and confidence in the HPS as a policing partner. This accounts for \$0.06M or 0.03% of the 2024 budget request. Over time, the survey results will help assess HPS's progress in improving community satisfaction and perception of safety in the City, which will allow the HPS to adjust strategic activities, as required, to achieve impactful results within the community.

Inquest Recommendations

Based on the Devon Freeman Inquest, the Jury made several recommendations. One of the recommendations was the establishment of a dedicated Missing Persons Unit (MPU) with the responsibility of coordinating and directing missing persons investigations. The recommendation aims to address the systemic issues that have hindered investigations of missing individuals and to improve HPS's response to cases of missing people. Having the MPU will provide several advantages for the HPS including specialization of staff, increased capacity for investigations, consistency in investigative approach, access to specialized techniques, tools, and greater ability to engage with community. To implement this recommended proposal, three (3) additional staffing resources are needed; one (1) Civilian

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

Support Worker and two (2) Sworn Detective Constables, with a combined cost impact of \$0.14M or 0.07% increase to 2024 budget.

	Sworn	Civilian
Salary	\$239,004	\$102,150
Benefits	59,830	26,320
Total – Annual Impact	\$298,834	\$128,470
Total – 2024 Impact	\$99,611	\$42,823
2024 Impact %	0.05%	0.02%

Other Operating Budget Pressures

This category represents other operating expenditures not accounted for in the previous sections. Other operating expenditures will increase by \$0.49M or 0.24%. The following is a summary of the cost pressures contributing to the increase over the approved 2023 budget:

- *Financial* – costs will increase due to higher costs associated with legal matters, inquest indemnification, and human rights tribunals.
- *Material and Supplies* – the cost is expected to increase mainly due to the new Tech Crime Unit (TCU) server, the PeerConnect wellness app, an attendance module for Parklane System (used to manage WSIB absences), and higher renewal costs associated with the annual maintenance software support contracts.
- *Buildings and Grounds* – increase in building and grounds category is mainly due to new contract prices for horticultural and dry-cleaning services. Also, reflected in this section are utility costs for natural gas and hydro, as per the City’s budget guidelines.
- *Vehicle* – increases above are offset by a reduction in budgeted gasoline prices. The 2023 budgeted rate was set at \$1.60/litre versus \$1.35/litre for 2024, as recommended by the City.

Revenues

	Increase	%
Grants and Subsidies - increase		
CSP Grant	\$(0.06)M	
Court Security & Prisoner Transportation (CSPT)	\$(0.06)M	
Police Fees from Province	<u>\$(0.46)M</u>	
	\$(0.58)M	(0.30)%
Fees and General - increase	\$(0.08)M	(0.04)%
Total Revenues – incremental increase	\$(0.66)M	(0.34)%

% change over the approved 2023 combined budget, anomalies due to rounding.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

Funding received by the HPS from third-party agencies, for participation in provincial grant programs, and funding related to secondment initiative positions, help offset gross expenditures. This funding makes up a significant portion of Service revenue. The revenue category also includes “fees and general” revenues related to Special Duty and fees for services related to employment and volunteer background checks. For the 2024 budget, the Service will recognize a gross revenue increase of \$(0.66)M or (0.34)%. The following are the contributors to the increase in this category:

Grants and Subsidies:

- Grants and subsidies revenue is expected to increase mainly from HPS’s participation in two (2) additional provincial secondment initiatives. For the 2024 budget, secondee revenue will increase by \$(0.46)M. During 2023, the HPS entered into two new secondment contracts; one contract for a Detective Constable assigned to the Provincial Weapons Enforcement Unit and a second contract for one Detective Constable and one Detective Sergeant assigned to the Golden Horseshoe Combined Forces Special Enforcement Unit. These funds are offset by employee compensation costs associated with these seconded members.
- There are also slight increases in the CSP and the CSPT grants. The increases are to align and reflect the actual 2023 funding levels.

Fees and General:

- The change in this category represents an increase in Special Duty revenue and transactional user fees. The increase in transactional user fees is to remain in check with increases to costs related to service delivery. This increase has no impact to the budget as the increase is offset with an equal increase in the operating expenditures section.

Reserve Funding:

- The 2024 budget base revenue includes funding of \$(0.58)M (2023 – \$(0.58)M) from the Police Tax Stabilization Reserve to mitigate some of 2024 budgetary pressures.

2024 CAPITAL BUDGET *(Appendix B)*

The proposed 2024 capital budget is \$4.79M, which is a \$1.22M or 0.63% increase to the 2023 approved combined budget.

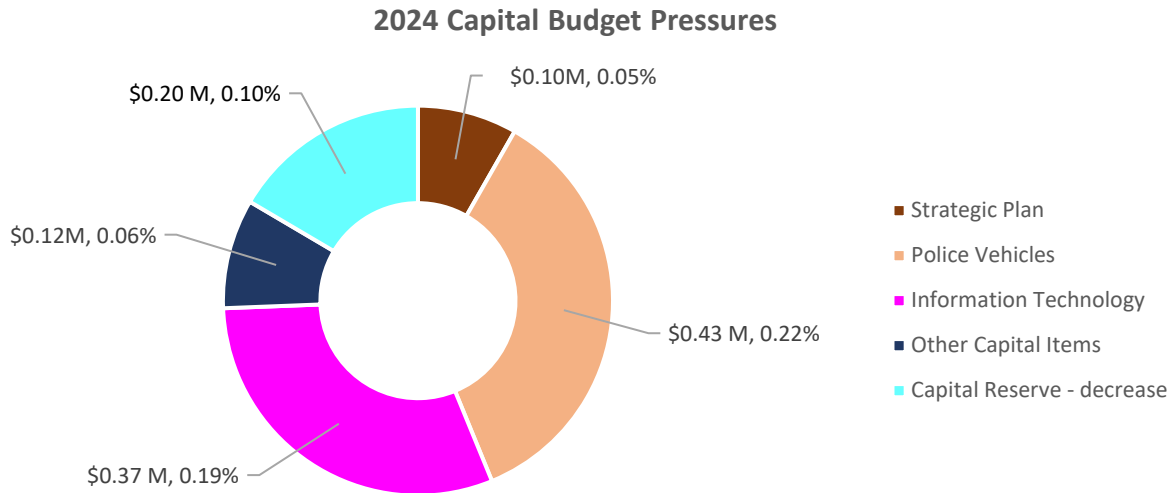
The HPS adheres to the City’s policy and practice for capital expenditures, which is defined as any capital asset greater than \$50,000 with an estimated useful life greater than one (1) year. The proposed 2024 capital budget includes lifecycle replacement and growth requests for fleet, information technology hardware, portable issued radios, electric vehicle infrastructure etc.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

The below chart summarizes the key drivers for the net increase of \$1.22M, which are explained below.



Supporting the Board’s Strategic Plan

One of the actionable projects identified under the Collaborative Engagement priority of the Board’s Strategic Plan is launching a redesigned HPS external website. Costs associated with commencing this project in 2024 are budgeted at \$0.10M or 0.05%, as the current site is reaching the end of its lifecycle.

Police Vehicles

The \$2.71M request, an increase of \$0.43M or 0.22% over the approved 2023 combined budget, was previously approved by the Board through PSB 23-063 & 23-063a. The funding is anticipated to be spent on the purchase and up-fitting of twenty-seven (27) vehicles. The make and model will be finalized and dependent on the 2024 Vendor of Record (VOR) pricing.

Information Technology

This category represents a request of \$1.60M, an increase of \$0.37M or 0.19% over the approved 2023 combined budget. Some of significant contributors to the increase in this category are server/storage expansion to accommodate ongoing growth of network shares, lifecycle replacement of computers, a LiveScan device (fingerprinting equipment), and an Enterprise Mapping solution replacing a legacy system.

Other Capital Items

This category represents a request of \$0.69M, an increase of \$0.12M or 0.06% over the approved 2023 combined budget. The increase is to fund the lifecycle replacements of existing equipment, systems, facility components and body armours.

Reserves – Capital

Contribution from reserves account for \$(0.30)M in the 2024 budget, which is a decrease of \$0.20M over the approved 2023 combined budget. A total of \$(0.18)M is to come from the Police Capital Reserve and \$(0.12)M from Police Tax Stabilization Reserve. The funding helps to offset the budget impact.

It is important to note that drawing on the HPS reserves to reduce budgetary pressures is not a recommended long-term strategy as it will not be sustainable and will have negative impacts on future budgets as well as reserve balances.

2024 BUDGET *(Combined Operating and Capital)*

Overall, the total 2024 budget request amounts to \$206.92M, a combined budgetary increase of \$13.32M or 6.88% over the approved 2023 combined budget. This requested increase represents the funding necessary to provide adequate and effective policing based on the needs of the City, meet collective agreement obligations and satisfy policing standards as mandated under the PSA and the proposed CSPA.

Description	Approved 2023 Budget	Proposed Change	% Change	2024 Proposed Budget
Operating Budget				
Sustaining Core Services		\$9.24M	4.77%	
WSIB Pressures		1.06M	0.55%	
Legislative Requirements		0.44M	0.23%	
Technology Requirements		0.96M	0.50%	
Supporting the Board's Strategic Plan		0.44M	0.23%	
Inquest Recommendation		0.14M	0.07%	
Other Operating Expenditures		0.49M	0.24%	
Revenue – increase		(0.66)M	(0.34)%	
Total Operating Budget	\$190.02M	\$12.11M	6.25%	\$202.13
Capital Budget				
Supporting the Board's Strategic Plan		0.10M	0.05%	
Police Vehicles		0.43M	0.22%	
Information Technology		0.37M	0.19%	
Other Capital		0.12M	0.06%	
Capital Reserve - decrease		0.20M	0.10%	
Total Capital Budget	3.58M	1.21M	0.63%	4.79M
Total HPS Budget	\$193.60M	\$13.32M	6.88%	206.92M

% change over the approved 2023 combined budget, anomalies due to rounding.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

2024 PSA SECTION 4(3) ITEMS

Section 4(1) of the PSA states every municipality to which this subsection applies shall provide adequate and effective police services in accordance with its needs. Section 4(3) states that the municipality has the legislative responsibility for providing all the infrastructure and administration necessary, including vehicles, boats, equipment, communication devices, building and supplies. As such, the following items, representing an increase of \$6.51M or 3.36%, have been submitted and are being considered by the City for funding in 2024.

Description	Capital Cost	2024 Proposed Increase	%
City's Insurance Cost Allocation		\$0.53M	0.27%
<u>Legislative Requirements (PSB 23-083)</u>			
Hard Body Armours	\$1.05M		
Carbines	0.71M		
Breaching Tool Packs	<u>0.12M</u>	1.88M	0.97%
<u>Capital Items (PSB 23-083)</u>			
Prisoner Escort Vehicle	0.19M		
Roof Replacement	2.83M		
Parking Lot Replacement	0.50M		
Standby Generator Diesel Fuel System Upgrade	0.30M		
Barrier Gates with Access Control	0.14M		
Chiller Overhaul	0.08M		
Structural Wall Waterproofing	<u>0.06M</u>	4.10M	2.12%
Total PSA Section 4(3) Items		\$6.51M	3.36%

% change over the approved 2023 combined budget, anomalies due to rounding.

City's Insurance Cost Allocation

The City's insurance premiums have increased by approximately 16% YOY, which reflect inflationary increases on insurance premiums and also caused by claims and administration cost pressures. The YOY insurance cost allocation is set to increase by \$0.53M or 0.27%. It is the Board Budget Committee's position that this cost allocation is the sole responsibility of the City as the vehicles and buildings are all owned by the City.

Capital Items

Earlier in 2023, PSB Report 23-083: HPS Projected Capital Expenditures: 2024-2033 was forwarded to the City by the Board. This report contained, among other things, a list of HPS related capital items to be considered for funding by the City in 2024 and inclusion in their 2024-2033 Capital Budget Plan. This decision is expected to be before Council in January 2024. PSB Report 23-083 is attached in Appendix E.

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork

MULTI-YEAR BUDGET *(Appendix D)*

The City initiated the multi-year rolling budget process in an effort to increase accountability and transparency for all City departments, Boards and Agencies, including the HPS. It provides the Board and the public with a better understanding of HPS cost drivers, services, and performance for both current and future budget years. *Appendix D* provides a table of the multi-year rolling budget for HPS for the period 2025 – 2027.

APPENDICES AND SCHEDULES ATTACHED:

Appendix A – 2024 Operating Budget Analysis

Appendix B – 2024 Capital Budget Analysis

Appendix C – 2024 Detailed Budget

Appendix D – 2025 - 2027 Multi-Year Budget Forecast

Appendix E – PSB Report 23-083: HPS Projected Capital Expenditures: 2024-2033

FB/S.Dzaferi

cc: Frank Bergen, Chief of Police
Ryan Diodati, Deputy Chief – Operations
Paul Hamilton, Deputy Chief – Support
Sanela Dzaferi, Director - Finance

Vision: To be a trusted partner in delivering public safety.

Mission: To serve and protect in partnership with our communities.

Our Values: Compassionate, Dedicated, Inclusive, Integrity, Innovative, Professional, Teamwork