



City of
Peterborough

To: Members of the Finance Committee

From: Richard Freymond, Commissioner of Corporate and Legislative Services

Meeting Date: January 10, 2023

Subject: Peterborough Police Services 2023 Budget Report CLSFS23-002

Purpose

A report to inform Council that the 2023 Budget submission from the Police Services Board will be received on Tuesday, January 10, 2023.

Recommendation

That Council approve the recommendation outlined in Report CLSFS23-002, dated January 10, 2023 of the Commissioner of Corporate and Legislative Services as follows:

That the presentation and budget details presented to the January 10, 2023 Finance Committee by the Peterborough Police Services Board for the 2023 Budget be received for information.

Budget and Financial Implications

There are no additional budget and financial implications of the recommendation.

Background

The Finance Committee is scheduled to review the 2023 Draft Budget during the week of January 16, 2023. Tuesday, January 10, 2023 has been set aside to receive budget requests from outside Boards and Agencies.

Included on pages 195-199 of the 2023 Draft Budget Highlights Book is a high-level summary of information presented by the Peterborough Police Services Board (PSB).

The following chart provides details of the Operating and Capital components of the 2023 Police Services Board budget request.

Service		2022 Approved	2023 Requested	% Change	\$ Change
Police	- Operating Support	27,975,484	29,102,937	4.0%	1,127,453
	- Capital Financing	1,444,600	1,239,400	-14.2%	(205,200)
		29,420,084	30,342,337	3.1%	922,253

The net operating expenditures of \$29,102,937 is an increase of 4.0% over the 2022 Operating Budget. Included in the request is funding for 11 new positions – 5 sworn officers (4 to Patrol and 1 to Investigative Services) and 6 civilian support personnel as follows:

New Positions	Effective
2 Patrol Officers	01-Jul-23
2 Patrol Officers	01-Sep-23
2 911 Communicators	01-Sep-23
1 Evidence Clerk	01-Sep-23
1 Digital Evidence Management Clerk	01-Sep-23
1 Affiant	01-Sep-23
1 Police Report Entry Clerk	01-Sep-23
1 Wellness Coordinator	01-Sep-23

The budget includes a sum of \$830,000 transferred from the Police Reserves to help lessen the impact of these increases and 2023 Budget uncertainty. Staff would suggest that the 2024 annualization of 11 new hires, as well as the impact of the one-time reserve revenue will undoubtedly mean a substantial increase in 2024 funding request from the City.

The Draft Capital Budget includes one project for Police Services on page 525 - Ref #8-1.01 in the amount of \$1,239,400. The provision is for tangible capital assets including fleet renewal, IT systems and improvements and other equipment.

The budget details are appended to this report and further information will be provided by representatives from the Police Services Board on January 10, 2023.

Submitted by,

Richard Freymond
Commissioner of Corporate and Legislative Services

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Attachment:

Appendix A - 2023 Police Services Board Approved Budget



To: Chair and Members of the Peterborough Police Services Board
From: Tim Farquharson, A/Chief of Police
Meeting: TBD
Report Date: August 25, 2022
Subject: 2023 Peterborough Police Operating and Capital Budget Requests

Purpose

To inform the Board of Peterborough Police's 2023 Operating and Capital Budget requests and to obtain approval for these funding requests.

Recommendation(s)

That the Board approve the recommendation(s) outlined in this Report, as follows:

- a) That Peterborough Police Service's 2023 Operating Budget request of \$29,102,937, including \$830,000 financed by contributions from Police Reserves, be approved and forwarded to the City Council for consideration during their 2023 Budget deliberations.
- b) That Peterborough Police Service's 2023 Capital Budget request of \$1,239,365 be approved and forwarded to the City Council for consideration during their 2023 Budget deliberations.

Strength Impact

This budget includes funding for 11 new positions – 5 sworn officers (4 to Patrol and 1 to Investigative Services) and 6 civilian support personnel.

New Positions	Effective
2 Patrol Officers	01-Jul-23
2 Patrol Officers	01-Sep-23
2 911 Communicators	01-Sep-23
1 Evidence Clerk	01-Sep-23
1 Digital Evidence Management Clerk	01-Sep-23
1 Affiant	01-Sep-23
1 Police Report Entry Clerk	01-Sep-23
1 Wellness Coordinator	01-Sep-23

The estimated 2023 net budget impact of these new positions is 1.6%.

Summary Financial Information

Net operating expenditures of \$29,102,937, an increase of 4.0% over 2022 Operating Budget to maintain existing service levels.

The 2023 Operating Budget consists of:

1. Total compensation, representing 89.8% of total Operating Expenditures, is estimated at \$31,480,215, 5.8% or \$1,721,239 higher than prior year’s budget.
2. Operating expenses are \$3,523,762, up 14% or \$433,426 over 2022 Budget.
3. Transfer to Reserves account for 0.2% of the Service’s gross operating budget.
4. Total Revenue increased by 21% or \$1,044,772 to \$5,969,790.

2023 Operating Budget Highlights

The total cost to deliver policing services is \$35,072,727 gross and \$29,102,937 net.

The main categories of expenditures in the City are broken down into the following three areas: Compensation (89.8%), Operating Expenses (10%), and Transfers to Other Reserves (0.2%).

Changes to compensation expenditures are primarily due to collective agreement increases and increases to staff count which is primarily related to new staff hired in the summer (2 positions) and fall (9 positions) of 2023 to help address operational needs of the Service.

Appendix A

Operating expenses are all other expenditures besides staff compensation that are incurred by the Service to maintain ongoing operations. Changes to operating expenditures are primarily driven by market inflation and increases to police core services.

Transfer to reserves represent the amount of amount of funds transferred to the Service's various operating reserves. These transfers are to set aside fund for specific future obligations, thus lowering the tax burden in those respective years.

	2021	2022	2023 Request	Note
Expenditures				
Personnel	\$28,335,188	\$29,758,977	\$31,480,215	Note 1
Supplies, Materials and Contractual	2,333,096	2,526,327	2,854,779	Note 2
Corporate Allocations	392,969	295,584	387,154	Note 3
Travelling and Training	281,400	268,425	281,829	Note 4
Transfer to Reserves	53,750	51,190	68,750	Note 5
Total Operating Expenditures	31,396,402	32,900,502	35,072,727	
Revenue				
Ontario Grants	2,283,927	2,379,191	2,712,391	Note 6
County and Other Municipal Fees	1,602,342	2,042,541	2,105,899	Note 7
User Fees and Service Charges	352,900	283,286	321,500	Note 8
Transfer from Reserves	124,109	220,000	830,000	
Total Revenue	4,363,277	4,925,018	5,969,790	
Remove: Transfer from Reserves	4,239,168	4,705,018	5,139,790	
Net Requirement	\$27,033,125	\$27,975,484	\$29,102,937	

2023 Operating Budgets consider inflation impacts for known supplies and contracted services. Non-salary items include our best estimates based on the information available at time of Budgeting. These estimates are subject to change and the effect on the financial statements of changes in such estimates in future periods could be significant.

Grants, Service Fees and Recoveries are \$5,139,790, up 9.2% or \$434,772 over 2022 Budget.

Ontario Grants increased by 14% or \$333,200 mostly due to a combination of increased grant allocation for Court Security and Prisoner Transportation (\$108,690) and higher recovery costs from the Provincial Initiatives to fight crimes (\$217,090).

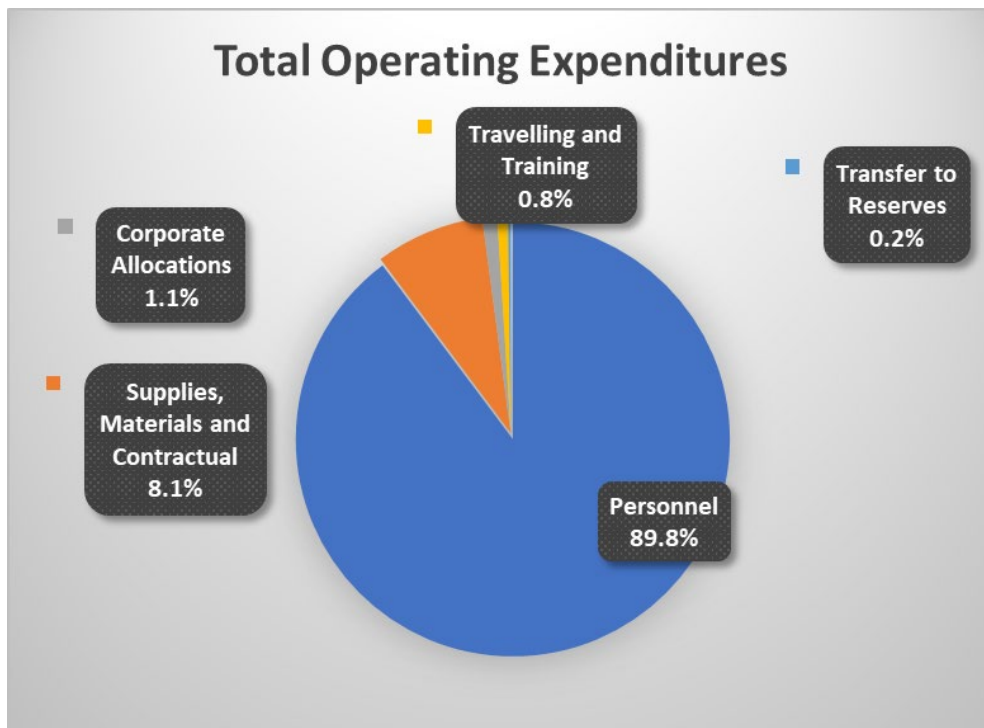
Service Fees and Recoveries are budgeted conservatively at \$321,500, reflecting a small increase of \$38,214 from the prior year. Service Fees and Licences account for 5% of budgeted operating revenues which include records check fees, taxi/limousine

permit fees and licences, police paid duty, false alarm fees and other charges for service. The main driving force behind these revenues is expected higher levels of records checks. The fees charged to the public are based on a cost of service recovery model. Given the current economic conditions, the 2023 revenues are forecasted to be similar levels as the prior year budget.

A sum of \$830,000 is transferred from Police Reserves to help lessen the impact of 2023 Budget uncertainty.

Total Revenues, including \$830,000 contribution from Police Reserve, are \$5,969,790, 21.2% or \$1,044,772 higher than 2022 Budget.

Expenditures Highlights



1. **Salaries and Benefits** are budgeted at \$31,480,216 – an increase of \$1,721,239 over last year.

Changes to compensation expenditures are primarily due to collective agreement increases and increases to staff count which is primarily related to new staff hired in the summer and fall of 2023 as part of the Service’s five-year staffing plan. Contractual salary increases, including annual grid increases, under the new collective bargaining agreement (2022-2023) made up the majority of the obligation for compensation budget increase.

The estimation of overtime costs of \$604,500 (2022: \$502,900) is subject to uncertainty.

- 2. Materials, Supplies and Contractual Services** amounted to \$2,854,779, \$328,452 or 13% year-over-year increase. Despite the targeted budgetary areas, non-personnel costs continue to increase due to many uncontrollable factors, including rising costs of supplies and contractual services, the current state of the labour market, inflation and other economic drivers.

Some products have increased as much as 50% and will most likely continue to rise in cost.

Fuel costs have risen from \$243,254 to \$364,500 (2022: \$1.09 per litre; 2023: \$1.58).

Insurance premiums have increased from \$152,567 to \$183,076, up 20% over 2022.

Telephone, mobile phones and internet services have increased from \$202,213 to \$222,370, an increase of \$20,157 over previous year's budget.

Other changes to the draft 2023 Budgets include adding the following annual expenditures:

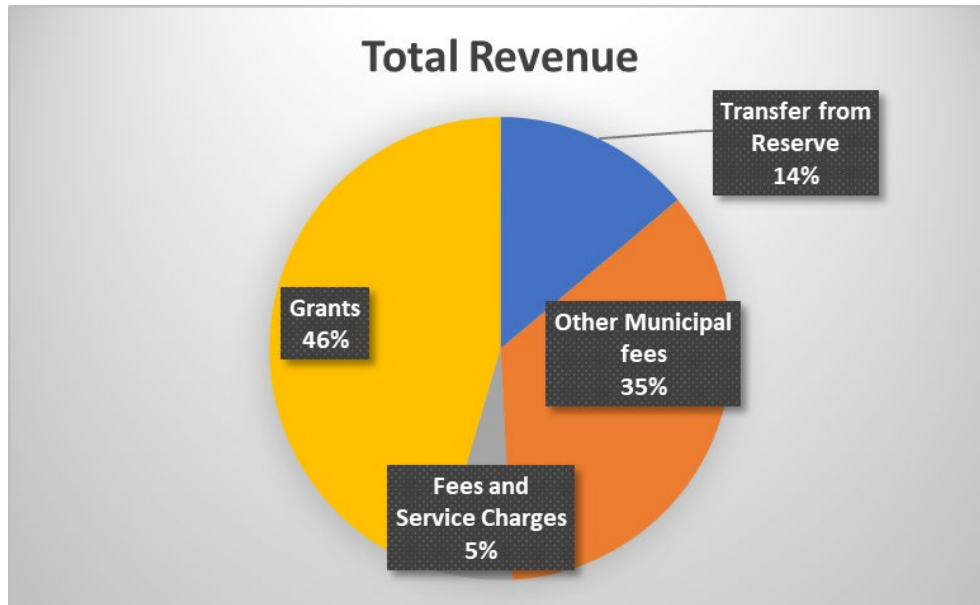
Increases by \$81,792 for new software applications:

- Police Offence Management System (POMS) -- \$45,000
- Desk Officer Reporting System (DORS) -- \$30,342
- Freedom of Information (FOI) Assist software -- \$6,000
- HR Applicant Tracking System - \$5,950
- Critical 911 Communicator Testing Software - \$2,854

Radio System Service contractual obligations increased \$9,658 over 2022 Budget.

- 3. Inter-Departmental Charges** include a \$323,279 charge for IT support by Peterborough Technology Services and a \$91,375 fee for fleet services by Public Works.
- 4. Travelling and Training expenses totalled \$281,829** – the overall budget for training has been increased by \$13,404 or 5% to support training needs. Conference travel is beginning to grow as more face-to-face events return.
- 5. Transfer to Reserves** were increased overall by \$17,560 or 34% to \$68,750. These transfers consist of a \$10,000 transfer to Police Recruitment Reserve, a \$13,750 transfer to Police Strategic Plan and, a \$45,000 transfer to Health Care Spending Account (HCSA). The transfer to support HCSA was increased from \$37,440 to \$45,000 for 2023.

Revenue Highlights



6. Ontario Grants are estimated at \$2,712,391 – increases by \$333,200 or 14%

2023 Budgets include the following Provincial Grants:

- Court Security and Prisoner Transportation program revenue (CSPT) Program Revenue – estimated at \$1,599,632
- Community Safety and Policing Program Funding Streams Revenue -- \$865,769 (April 2022 – March 2025)
- Provincial Human Trafficking Intelligence-Led Joint Forces Strategy Program provides partial funding for a Human Trafficking Investigator -- \$122,090
- Provincial Human Trafficking Intelligence-Led Joint Forces Strategy Program provides partial funding for a Human Trafficking Analyst -- \$95,000
- Provincial Strategy (2021-2025) – \$12,500 for specialized training and necessary computer equipment.
- Ontario’s Strategy to End Human Trafficking Funding -- \$17,400 partial funding of officer’s salaries directly related to trafficking investigations

7. Other Municipal grants & fees are estimated at \$2,105,899 – increases by \$63,358 or 3%

For 2023, the net Police Service Budget includes estimated revenue of \$654,379 from Selwyn Township for police services on a contract basis to the Lakefield Ward within the Township of Selwyn and \$1,431,520 from the Township of Cavan Monaghan.

In addition to the above, Cobourg Police Service (CPS) agreed to provide Peterborough Police Service (PPS) an annual amount of \$20,000 pro-rated on a monthly basis to \$1,666.66. CPS requested to have their Forensic Identification Officer utilize workspace within the Forensic Identification Unit and take advantage of job shadow opportunities and potential shared investigative work as agreed upon by both CPS and PPS.

8. Other Revenue are provided at \$321,500 – increases by \$38,214 or 13%

Charge for Service consists of Record Checks (\$230,000), Taxi and Limo Licence fees (\$30,000), Towing revenue (\$15,000), Alarm Call fees (\$11,000), Motor Vehicle Collision reports (\$2,000), Freedom of Information Request fees (\$2,000) , Confirmation letters (\$1,500), and Paid Duty admin fee recovery (\$30,000).

2023 Capital Budget Highlights

Capital Budget represents 3.4% of the Peterborough Police Service’s total Budget.

The 2023 Capital Budget totalling \$1,239,365 (subject to change) provides funding for:

Capital Cost Drivers	2021	2022	2023
Fleet Renewal	\$597,900	\$559,779	\$472,100
Technology Initiatives	\$839,413	\$739,850	\$545,065
Other Equipment	\$105,900	\$117,436	\$222,200
Total	\$1,543,213	\$1,417,065	\$1,239,365

In addition to normal requirements for fleet replacement, communication equipment, security initiatives, and computer hardware/software, 2023 Capital Requests include the following priorities:

- 2023 Budget includes \$152,000 for contractual services associated with staffing increases.
- Police Secure Website – estimated costs \$25,000
- Alcohol screening devices – estimated costs \$10,000
- Headsets for ERT members – estimated costs \$15,000

- Intoxilyzer – estimated costs \$30,000
- Digital Evidence Management System (DEMS) – estimated costs \$70,000 (5-year project)

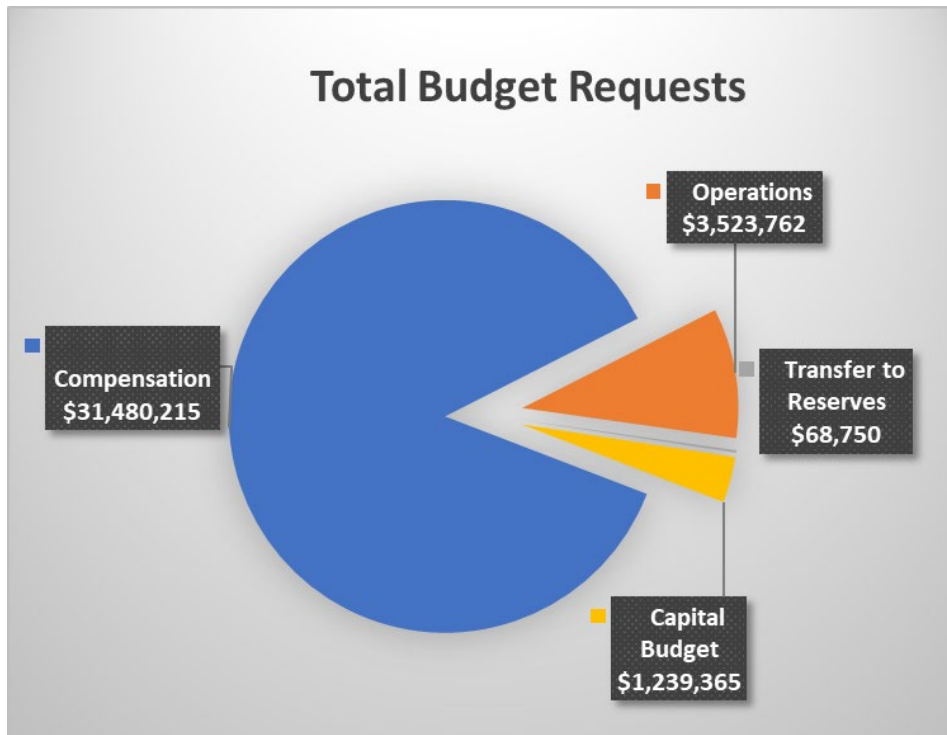
Strategic Plan 2022 – 2024

Strategy 2: Our commitment to managing information and investigative solutions using current and emerging technology.

In Summary

Total recommended operating expenditures are anticipated to increase by 6.6% over last year for a total of \$35,072,727.

Financing for the operating budget is a combination of (1) Revenues (\$5,139,790), (2) Contributions from Reserves (\$830,000) and (3) Municipal Tax Levy (\$29,102,937).



Prepared by Tia Nguyen, Finance Manager

Reviewed by Tim Farquharson, A/Chief of Police

Submitted by Tim Farquharson, A/Chief of Police