



REGIONAL MUNICIPALITY OF NIAGARA
POLICE SERVICES BOARD

5700 VALLEY WAY, NIAGARA FALLS, ONTARIO L2E 1X8

Tel: (905) 688-4111 Fax: (289) 248-1011
E-mail: psb@niagarapolice.ca
Website: www.niagarapolice.ca

November 26, 2020

SENT BY EMAIL

ann-marie.norio@niagararegion.ca

Ann-Marie Norio, Regional Clerk
Niagara Region
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

**Re: 2021 Proposed Operating Budget
Niagara Regional Police Service and Police Services Board**

Dear Ms. Norio:

At its Public Meeting held November 26, 2020, the Niagara Police Services Board adopted the recommendation of the Board's Finance Committee made at its Special Public Finance Committee meeting held on November 5, 2020. At the meeting, the Service provided the Board with a report outlining the proposed 2021 Operating Budget for the Police Service and the Board resulting in a total net expenditure budget before indirect allocations of \$161,060,041; an increase of 4.3%.

The following motion was passed:

'That the Board approve the proposed 2021 Operating Budget for the Police Service and the Board resulting in a Total Net Expenditure Budget before Indirect Allocations of \$161,060,041;

And further, that the 2021 Operating Budget for the Police Service and the Board be submitted to Regional Council for approval.

Carried.'

Further to Board direction, I would ask that you take the necessary action. A copy of the report is enclosed.

Yours truly,

Deb Reid
Executive Director

Encl.

c: Mr. T. Harrison, Commissioner/Treasurer, Enterprise Resource Management, RMON



NIAGARA REGIONAL POLICE SERVICE

Police Services Board Report

PUBLIC AGENDA

Subject: Budget – 2021 Proposed Operating Budget
Report To: Chair and Members, Niagara Police Services Board
Report Date: 2020-10-28



Recommendation(s)

That the Police Services Board:

1. Receive and approve the proposed 2021 Operating Budget for the Police Service and Board resulting in a Total Net Expenditure Budget before Indirect Allocations of \$161,060,041.
2. Submit the consolidated budget of the Service and the Board to Regional Council for approval.

Key Facts

- Under the provisions of the *Ontario Police Services Act (Act)*, the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara.
- In accordance with Section 39 of the Act, the Board is required to submit operating and capital estimates that show the amount required to maintain the police force.
- Normally, the Board submits the funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.
- The Proposed 2021 Operating Budget of \$161.1 million reflects the cost of providing adequate and effective police services in the Regional Municipality of Niagara.

Financial Considerations

The proposed total consolidated net expenditure budget for the Niagara Regional Police Service and the Board is \$161,060,041 which is a 4.3% increase over 2020 Approved Budget.

Police Service	\$160,096,412
Board	963,629
Niagara Regional Police Service and Board	\$161,060,041

Analysis

Under the provisions of the Act, the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara. In accordance with Section 39 of the Act, the Board submits a funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.

The foundation of the 2021 Operating Budget submission is consistent with prior years; the Service is mandated to uphold adequacy standards while providing adequate and effective policing to the community.

The Service base budget process includes an environmental scan identifying external cost pressures, a detailed line by line program review and consideration for current events that could impact 2021 such as the COVID-19 pandemic, actual performance and the recent Burkett award on Niagara Regional Police Association (NRPA) Uniform and Civilian 2020 salary rates.

These cost pressures included in the 2021 base budget are as follows:

- On October 5, 2020, the Service received the Burkett arbitration settlement which awarded the NRPA Uniform and Civilian members a 2.6% wage increase by December 1, 2020.
- Further, a wage provision has been included for wage settlements on all three expired contracts for the 2021 year.
- Annualizing the 40 officers 2020 Program Change effective July 1, 2020.
- Requirement to add civilian replacement budget dollars to reflect the pressures on operationally essential positions from absences related to increased leave and sick time.
- Increase to software licensing costs associated with the five year subscription base license to support digital evidence management and additional Microsoft enterprise licenses.
- Reduction to Court Security and Prisoner Transport Grant funding to 2020 actuals.

These base budget increases were offset by the following cost reductions from the 2020 approved budget as follows:

- Compensation savings resulting from one less salary budget day in 2021 (2021, 261 salary days vs 2020, 262 salary days).
- Reorganization of Emergency & Investigative Services which repurposed five (5) Sergeant Positions to five (5) Constable Positions.
- Reduction of legal professional services.

These cost pressures and savings resulted in a net \$5.9M or 3.8% base budget increase over the 2020 Approved Budget. Further, the Service has proposed \$0.7M or 0.5% in Program Changes to support the Board's strategic plan.

The table below details the base increases and Program Changes impact on the 2021 operating budget of the Service and Board.

	\$	% Incr.
2020 Service & Police Service Board Approved Budget	\$154.4M	
Net Budget Impacts:		
Compensation Increase	5.5M	3.6%
COVID-19 net cost due from revenue loss from Casino closures	1.05M	0.7%
Taxpayer Relief Reserve Funding to offset COVID-19 impacts	(1.05)M	(0.7)%
Software costs and other operational expenses net increase	0.4M	0.2%
Total – Net Budget Impacts	5.9M	3.8%
2021 Base Budget before Program Changes	\$160.3M	
Program Changes	\$0.7M	0.5%
2021 Net Expenditure Budget before Indirect Allocations	\$161.0M	4.3%

This budget includes the following assumptions which highlight both risks and opportunities:

- COVID-19 net cost impact experienced in 2020 will not materialize in 2021 based on the assumption that the two Niagara Casinos will re-open effective April 1, 2021.
- COVID-19 costs of \$87,500 are limited to costs associated with purchase of personal protective equipment and deep cleaning services until mid 2021 that will be offset with an equal savings to costs associated with staff development travel costs.
- A collective bargaining wage settlement provision for 2021.
- Grant funding levels are maintained at current 2020 actuals.
- 40 Officers from the 2020 Program Changes are hired and trained by Q1 2021.
- 2019-2021 Strategic Plan targets will be achieved.
- The potential exists for an increase to third party revenues for P25 public radio system subscription services, however, agreements have not been completed at the time of the budget process. No provision has been recorded.
- Key service deliverables under the existing Adequacy Standards of the Police Service Act.
- Service Delivery review through continuous improvement.

- Technology enhancements and innovations, specifically NG911 and Digital evidence management.

The budget assumption regarding the re-opening of the two Niagara Casinos on April 1 2021 will result in a \$1.05M shortfall in the third party revenue budget line however, as this impact is a result of COVID-19 this shortfall will be offset by a transfer from the Region's tax relief reserve fund. As reported, the Region has received \$12.185 million in phase 1 municipal Safe Re-start funding from the Province of Ontario and will be applying for potential phase 2 funding; these funds will be used to offset the consolidated Region 2020 deficit including that of the Agencies Boards and Commissions (ABCs). Region Staff is recommending that any excess Safe Restart funding at December 31, 2020 be allocated to the Taxpayer Relief Reserve to then be utilized to offset COVID-19 related pressures in the 2021 budget in accordance with the parameters of the funding. The Region has advised that the Service will not be directly receiving any apportioned funding, however, can access the Safe Re-start funds from a draw on the taxpayer relief reserve.

It is important to note that should the Casinos open prior to April 1, 2021 and OLG transfer payments from City of Niagara Falls flows to the Service then the taxpayer relief reserve fund will be reduced to account for this unbudgeted revenue.

2021 Program Changes:

After considerable deliberation the Service 2021 Budget submission includes \$0.7M or 0.5% in recommended program changes. The enhancements are detailed below.

Net Total	% Increase	
\$nil	nil	Records Analyst – The request is to provide civilian records analyst at a cost of \$90,740 to implement and sustain an electronic records management system. This additional resource cost is offset by an equal increase to other revenues from a third party partnership to provide automated records check processing.
\$154,810	0.1%	Forensic Detective Constable – The request is to add a uniform detective constable to support the forensic program which has realized an increase requirement for highly specialized forensic-based evidence collection.
\$156,906	0.1%	Missing Person Coordinator – The request is to add a uniform detective constable in Offender Management Unit to support the 2019 Missing Persons Act which recognizes the seriousness of unsolved crimes surrounding our most vulnerable marginalized members of our community reported as missing.

Net Total	% Increase	
\$159,894	0.1%	Member Support – The request is to add a Sergeant position to support the on-going operational management of the Unit that will enable the Staff Sergeant (S/Sgt) of Member Support to relinquish the day-to-day activities. The S/Sgt will focus on the development of a strategic plan for Member Support as well as lead the formation of the Equity, Diversity & Inclusion Unit.
\$267,001	0.2%	Equity, Diversity, & Inclusion (EDI) Unit – The request is to add a Sergeant position and civilian specialist to form the newly created Unit: Equity, Diversity, and Inclusion Unit. This will support, promote, and operationalize the current EDI Strategic Plan; to maintain and build stronger relationships with our diverse communities; and, to work internally to promote a culture of that embraces diversity, equity, and inclusion within the Service.
\$738,611	0.5%	Total

In conclusion, the 2021 proposed budget of \$161.0M represents a 4.3% increase over the 2020 approved budget. The most significant impact is related to compensation increases of 3.6% which are mainly the result of the Burkett 2020 wage settlement award to the NRPA uniform and civilian members, a wage provision for 2021 and the annualizing the 40 Officers 2020 Program change effective July 1, 2020.

Alternatives Reviewed

The Proposed 2021 base Operating Budget reflects the cost of providing adequate and effective police services in the Regional Municipality of Niagara. Consistent with prior years, the Service budget process included a detailed line by line review and the evaluation of submitted program changes. The Service performed sensitivity analysis on the assumptions used to develop the proposed budget, however, the Board may use its discretion to propose alternatives to the assumptions included in the 2021 Proposed Budget.

Relationship to Police Service/Board Strategic Priorities

Under the provisions of the Act, the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara.

Relevant Policy Considerations

In accordance with Section 39 of the Act, the Board submits a funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.

Other Pertinent Reports

Finance Committee No 3.2020 – Budget Planning - 2021 Operating and Capital Budget.

This report was prepared by Laura Rullo, Manager, Finance, recommended by Richard Frayne, Acting Deputy Chief of Police, Support Services.



Submitted by:

Bryan MacCulloch, M.O.M. #5835
Chief of Police

Appendices:

Appendix 1 – 2021 Operating Budget – Statement of Revenue and Expenses

Niagara Regional Police Services
Appendix 1: 2021 Operating Budget - Statement of Revenue and Expenses

	2021 Budget	2020 Budget	Variance	Variance %
Gross Expenditures				
Compensation	163,334,856	157,060,043	6,274,813	4.0%
Administrative	3,970,086	4,212,976	(242,890)	-5.8%
Operational & Supply	2,446,003	2,273,188	172,815	7.6%
Occupancy & Infrastructure	363,898	360,720	3,178	0.9%
Equipment, Vehicles & Technology	7,131,630	6,803,651	327,979	4.8%
Financial Expenditures	100	1,000	(900)	-90.0%
Intercompany Charges	248,638	197,075	51,563	26.2%
Transfers To/From Reserve Funds	1,860,000	2,900,000	(1,040,000)	-35.9%
Total - Gross Expenditures	179,355,211	173,808,653	5,546,558	3.2%
Revenues				
Provincial Grants	(9,453,043)	(9,538,429)	85,386	-0.9%
Fees for Service	(5,204,900)	(6,393,550)	1,188,650	-18.6%
Other Revenues	(2,010,716)	(1,860,463)	(150,253)	8.1%
Recoveries	(1,626,511)	(1,557,991)	(68,520)	4.4%
Total - Revenues & Recoveries	(18,295,170)	(19,350,433)	1,055,263	-5.5%
Net Expenditures Before Indirect Allocations	\$ 161,060,041	\$ 154,458,220	\$ 6,601,821	4.3%