



Committee of the Whole Report For the Meeting of June 6, 2019

To: Committee of the Whole **Date:** May 30, 2019
From: Susanne Thompson, Deputy City Manager and Chief Financial Officer
Subject: Police Board Special Events Budget

RECOMMENDATION

That Council receive this report for information.

EXECUTIVE SUMMARY

The Victoria and Esquimalt Police Board have communicated to Council that, due to budgetary constraints, they can no longer afford to absorb unfunded special event expenditures in three areas totalling \$135,300:

- \$78,400 attributed to the portion of unfunded Canada Day policing costs
- \$41,700 attributed to providing the first three officers at permitted not-for-profit run events (previously reported as \$30,000)
- \$15,200 attributed to all policing related to military related events

The City's Arts Culture and Events Office (ACE) budget funds roughly \$120,000 annually in event related policing costs through its City services budget. This report provides further information for Council on how to address the additional anticipated \$135,300 impact to the City's budget for 2019 and beyond.

On May 22, 2019, Mayor and Council received a letter from Mr. Sean Powell, Chair of the Finance Committee of the Victoria & Esquimalt Police Board requesting additional funding for services related to the City of Victoria's Canada Day celebrations. The letter outlines budgeted costs for non-recoverable special duty officers and states that VicPD is burdened with \$78,400 in unfunded non-recoverable expenditures relating to policing special events. The letter does not provide specifics on what is included in this accounting nor does he clarify how the average Canada Day investment was calculated. The Police Board letter is requesting additional funding from the City of Victoria to cover the policing costs of Canada Day events or that Council consider alternate celebration models.

On March 21, 2019 Council approved a series of proposed strategies to absorb the impact of two extraordinary new expenditures in 2019; *introduction of the Employer Health Tax and the decision of the Director of Police Services to mandate the hiring of 6 new officers*. One of the mitigation strategies police proposed was to end the practice of funding the 'first three' special duty officers at permitted public events. The report states that ending the practice of covering the costs for three

officers will realize \$30,000 in savings. VicPD staff have since established that costs for the 'first three' is closer to \$41,700. The City's Arts Culture and Events (ACE) division budget funds officer deployment beyond the 'first three'.

Canada Day

Canada Day is the Island's largest free event hosted annually in Victoria's Inner Harbour and Legislature grounds. This 12 hour event incorporates Canada's largest mass participation Living Flag with upwards of 5000 participants followed by mainstage cultural content and performances culminating with a fireworks display. Typically this event attracts 40-50,000 attendees.

Police Board states that since 2011 they have attributed an average of \$122,000 in police services to the event and that, *Canada Day costs broadly include police and civilian overtime, supplies and logistics, and BC Sherriff services.* \$12,000 is funded through the annual City events budget, \$31,600 is funded through the police core budget and \$78,400 is absorbed as an unfunded non-recoverable expenditure.

Council budgets \$25,000 seed funding annually for Canada Day celebrations. ACE staff coordinate production contracts, communications and city services required. The City's funding accounts for less than 12% of the more than \$200,000 in production costs. 88% of production costs are recovered from corporate sponsorship and funding from local, provincial and federal grants. City service costs typically amount to \$3-5,000 for traffic control equipment deployment, street cleaning and other public works labour. Any funds raised in excess of the production costs go back to the City.

First Three Officers

The 'first three' officers and related City service provision policies were established in the late 1990s as part of the City's efforts to revitalize downtown and remove barriers for not-for-profit societies hosting community and cultural events. Victoria branded itself as a City of Festivals and a Cultural Capital as it prepared to host the 1994 Commonwealth Games. These efforts have been successful and, as a result, Victoria has since been declared a Cultural Capital of Canada and prides itself as a vibrant event-rich City. ACE issues more than 350 event and film related permits annually and recover costs for all commercial events and filming in public space.

Staff work collaboratively with event organizers and VicPD to find alternatives to deploying police at events, however, there are circumstances where either the Motor Vehicle Act requires the presence of police officers or the nature of the event requires on site response options. After receiving input and analysis from ACE, the Special Event Technical Committee (SETC) and other stakeholders, VicPD determines the level of risk and the police resources required to secure the event. Wherever possible, permits allow for traffic control persons (TCPs), private security and/or other agencies to assist in securing the event in an effort to reduce the police costs.

Military Related Events

The Chair of the Police Board Finance Committee states in the May 22nd letter that, *within the parameters and allocation of the 2019 budget, they no longer have the capacity to absorb unfunded expenditures.* VicPD staff have indicated that they can no longer aid military related events (including the Victoria Day Parade) which have traditionally had all policing costs absorbed within the Police budget. VicPD staff have estimated they spend \$15,200 in service to these events in 2018.

Policing costs are primarily covered through property taxation. Taxes have already been levied for 2019. There is no ability for the City to adjust this. Any additional funding would need to be covered through existing budgets or reserves. Should Council wish to provide additional funding, contingencies could be a funding source. Funding options for further discussion could include:

1. Police Board to continue to absorb event related costs beyond the \$30,000 outlined in VicPD's March 21, 2019 Council approved budget strategies.
2. Cap events with fee for participation models - community sporting events such as Marathon, Tour de Victoria, Grand Prix Cycling, TC10k – these represent roughly \$55,000 in policing. Some of these events run very close to the edge of sustainability and any increase in participation cost has the potential to limit their ability to put on their respective events.
3. Recover costs related to the 'first three' police officers from not-for-profit organizations. Organizations with very limited resources or capacity may not be able to host events in public space.
4. Allocate additional funds in the ACE special event City services 2020 operations budget.
5. Limit the number of officers the City will provide for any not-for-profit event. Other jurisdictions have struggled with inconsistently applied policy due to grandfathering of some events and random support where Councils make special exemptions for favoured events. This option will result in an increase in the number of organizations making direct and indirect appeals to Council for support. Larger events, such as Pride Parade, without a fee for participation/registration model would have difficulty adjusting and may struggle to identify new revenue lines to cover the cost of policing beyond the basic cap allocation.
6. Increase the cost recovery rate for policing commercial events and filming to subsidize not-for-profit event policing. Currently cost recovery for commercial events and filming is simple direct cost plus an 18% administration fee. Events similar to Rifflandia, Phillips Backyard and commercial filming could be priced out of the market with this policy decision. Policing costs are already a strain on these events – some organizers feel they have very little control over policing levels at their events and film locations, however, this is consistent with the cost of doing business in the public realm in many other cities.

Staff continually monitor how other jurisdictions facilitate events and allocate services including policing. City staff and VicPD's collaborative approach to sharing costs and responsibility for event safety has served as a unique example of best practice since the 1990s. This collaborative approach, combined with relatively fewer barriers for the use of public space, has helped to democratize the use of public space for events in Victoria. Transferring policing costs to not-for-profit community organisations will impact their ability to deliver free community events and festivals.

Respectfully submitted,


Jeff Day
Senior Cultural Planner


Susanne Thompson
Deputy City Manager and Chief Financial Officer

Report accepted and recommended by the City Manager:

Date:


Date: May 31, 2019