

VICTORIA & ESQUIMALT POLICE BOARD

MAYOR LISA HELPS, LEAD CO-CHAIR

MAYOR BARBARA DESJARDINS, DEPUTY CO-CHAIR

February 16, 2021

Mayor Helps & Council
City of Victoria

Via email

RE: VicPD Cost Savings and Expenditures Related to COVID-19

City Council made the following motion on January 28, 2021: *That Council request the Victoria Esquimalt Police Board report back with any budgetary savings due to reduced nightlife, lack of special events, and limited protest activity; and that Council request the Victoria Esquimalt Police Board apply similar budget mitigation measures as the City of Victoria and report back to Council with budget savings found.*

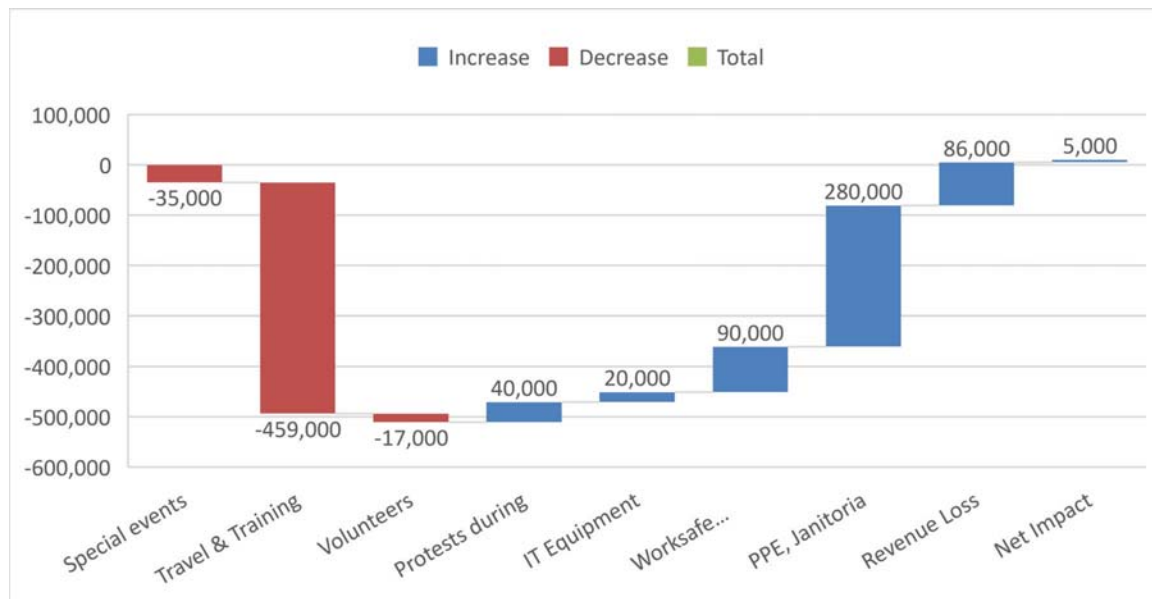
VicPD Controller, Mr. Steve Hurcombe, provided the Board with a comprehensive response which is included below:

Although there were and are some potential cost savings as a result of COVID-19, in 2021 these savings are more than offset by increased expenditures to maintain operations during the pandemic. Specific cost pressures not specifically related to COVID-19 also continue to drive up the cost of policing, a significant amount of which have already been absorbed within the 2021 Provisional Police Budget through drawdowns from existing reserves.

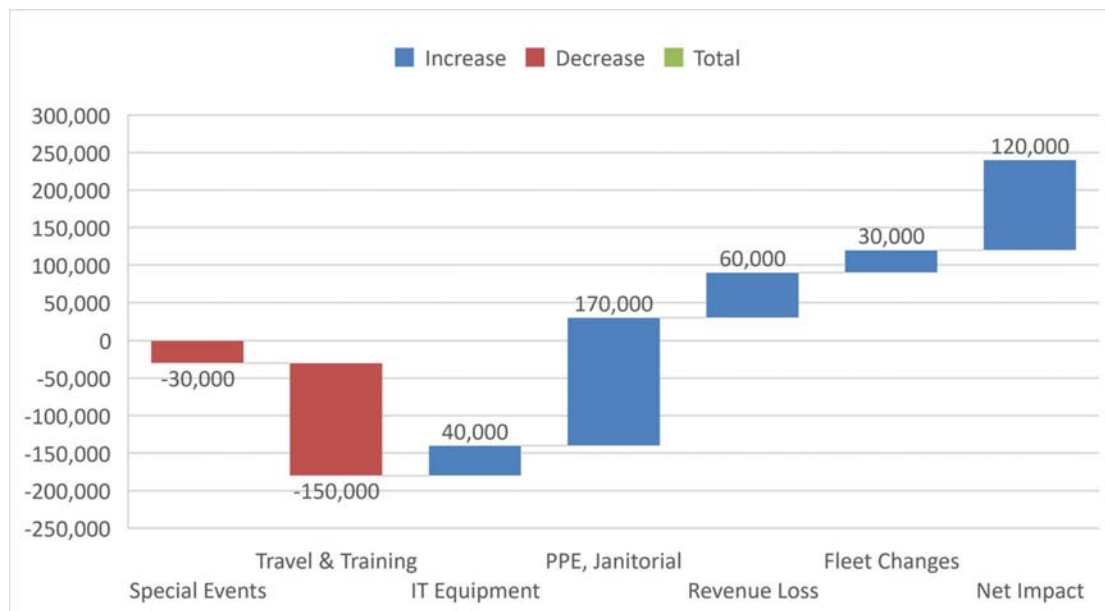
Since the budget was prepared, financial pressures have only increased. For example, provincial funding for COVID-19 safety measures that were previously available through Emergency Management BC ceased at the end of November 2020. Policing is not a service that can be reduced or deferred in difficult times. Although the nature of the demand for policing may have changed during the pandemic, the demand for service has not diminished, nor have our resourcing challenges. Therefore, the Police Board is unable to report any net savings that have not already been considered in the preparation of the 2021 budget.

Conversely, subsequent events and conditions have only increased our projected expenditures. Further detail is provided below with the conclusion that no further reductions to the 2021 Provisional Budget can be made without negatively affecting our ability to deliver adequate policing.

Estimated Financial Impact of COVID-19 in 2020



Estimated Financial Impact of COVID-19 in 2021



POTENTIAL & REALIZED COST REDUCTIONS AS A RESULT OF COVID -19

1. Reduced special events and special duties

Savings from reduced special events and special duties are projected to be in the range of \$25,000 - \$35,000 for 2021, based on the current public health orders in place. The net budget for special events is very small, the majority of those costs being recovered from the organizing parties or through the municipalities. Very little policing of special events or special duties are performed through on-duty time due to the lack of availability of on-duty resources.

Reduced special events in the community will therefore not have a significant impact on our net budget because neither the expenditures will be incurred nor the revenue received. Our net budget was reduced previously when funding for Canada Day was removed from the Police Budget and funded directly by the City of Victoria.

In normal times, administration fees on special duties such as the Coho ferry or the marathon also generate revenue to offset non-recoverable costs for events where cost recoveries were not possible.

2. Travel and training

There may continue to be some reductions in travel and training as a result of COVID-19, at least for the first half of 2021. In 2020, we were approximately \$450,000 below budget in travel and training, although these savings were offset by increased expenditures as detailed below. It should also be noted that an entire recruit class was cancelled due to COVID-19 which negatively impacts our front-line resources for 2021. We do not expect similar cancellations in 2021, but due to COVID-19 restrictions, recruit spaces are limited and we will continue to feel the impact of that cancellation for some time. It is important to note that a significant portion of police training is either mandatory or critical to perform essential tasks or investigations. Therefore, much of the training that was cancelled or delayed in 2020 and early 2021 will have to be made up in the latter part of 2021 and in 2022.

Where possible, some necessary training is already occurring in 2021 with enhanced protocols in place to ensure officer safety. Most police training institutions in Canada have now adapted to COVID-19 safety protocols to ensure the continuance of at least some required training. Due to these measures and a backlog of mandatory training requirements, we do not expect significant savings in 2021. Much of our travel is related to ongoing investigations which is necessary and must continue.

Although it is difficult to predict with any degree of certainty, it is possible that savings for 2021 will be in the \$100,000-150,000 range at most.

3. Reduced protests

The volume and complexity of protests within the City of Victoria have increased over time. The total budget to cover protests and Greater Victoria Emergency Response Team (GVERT) activations is \$147,000 whereas actual costs have been significantly higher in recent years (\$383,693 for GVERT activations in 2020 alone). This funding continues to be inadequate compared to the actual expenditures.

Despite the reduced number of protests, there was still a significant amount of protests in 2020. Policing costs for protests that occurred prior to COVID-19 restrictions amounted to more than \$200,000. Even during COVID-19 restrictions, some protests continued totaling more than \$40,000 in police resources. We continue to see protests that require police resources to monitor and there is no reason to believe that once vaccinations increase and COVID-19 restrictions are lifted that protests will not re-commence.

Although it is impossible to predict the financial impact of protests and demonstrations given current trends, it is likely we will continue to see the need for resources to exceed the budget by \$100,000-150,000 in 2021.

4. Suspension of the volunteer program

The volunteer program has been temporarily suspended as required by COVID-19 restrictions. In 2020, approximately \$17,000 of the funds for volunteer appreciation were not spent. It is hoped that some level of volunteer activity and appreciation can still be held; therefore, we do not anticipate any surplus funds for 2021.

POTENTIAL & REALIZED ADDITIONAL EXPENDITURES (REVENUE LOSSES) AS A RESULT OF COVID-19

Aside from the above items, COVID-19 will have few cost reduction impacts on operations as the bulk of our operations must continue throughout the pandemic. As detailed below, some of our costs have actually increased as a result of having to balance maintaining operations and employee safety.

1. Janitorial expenditures to maintain employee safety

Additional janitorial services are required to increase the number of hours of janitorial service, decontaminate vehicles, and clean high touch surfaces to protect our staff as most cannot work remotely due to the nature of the operations. Prior to December 2020, we were approved for funding from Emergency Management BC. From the end of November onwards that funding has ceased. The additional janitorial services are still vital to ensure normal police operations continue. In 2020, the combined costs for janitorial, personal protective equipment and sanitation supplies directly attributable to COVID-19 were slightly more than \$300,000. To date we have only received a fraction of those expenditures back from the Province.

Monthly costs continue to be approximately \$13,000 in excess of normal levels and we expect the additional costs for 2021 to be in the range of \$125,000 - \$175,000. Unless alternative funding can be obtained, these costs will need to be absorbed within our existing budget.

a. Personal protective equipment (PPE)

We are currently sufficiently stocked for PPE although we expect restrictions (such as masks) to remain in place for quite some time. Replacement for wear and tear will cost approximately \$20,000 for 2021. There may also be additional PPE requirements throughout the year that may incur additional expenditures.

b. Revenue Loss

We were closed to the public for a significant period of time in 2020 and remain closed, which will have a negative impact on records revenue. In 2020, closures to the public resulted in a loss of records revenue of approximately \$87,000. Losses in the range of \$50,000 - \$90,000 can be expected again in 2021 with no offsetting reduction in expenditures.

c. Vehicle Operating Costs

In order to provide greater officer safety during COVID-19, we have decreased the number of officers per vehicle. This has been achieved through increased usage of the existing vehicle pool and delaying the retirement of vehicles otherwise slated for disposal. This will increase our operating costs for both repairs and fuel in 2021 as more vehicles are on the road each shift and older vehicles incur higher maintenance costs. Although it is difficult to determine the exact impact, we expect fuel and maintenance costs to be \$30,000 - \$40,000 higher as a result.

d. Costs for remote working

In order to increase safety for front-line officers, some of our non-front-line personnel have been allowed to work remotely on a rotational basis for periods of time. To achieve this, there were some additional expenditures to purchase the necessary equipment and software in 2020 of approximately \$20,000. In 2021 expenditures will be slightly higher due to the need for more computers and an ongoing project to update our remote-conferencing capabilities for an estimated increased combined cost of \$40,000.

2. COVID-19 WorkSafeBC BC requirements

Due to the nature of policing front-line, officers are unable to work remotely. In order to comply with WorkSafeBC requirements for social distancing, approximately \$90,000 in additional capital expenditures were required in 2020 to reconfigure and replace existing office furniture. We do not anticipate additional building capital costs for 2021 as we are compliant with current WorkSafeBC requirements in relation to COVID-19.

Other additional cost pressures considered in the budget process

Although not directly related to COVID-19, it is important to realize that in preparing the 2021 Provisional Police Budget, the Board must consider other cost pressures on the organization. The budget that has been proposed has taken those cost pressures into account as best as possible. It should be noted that the requested budget does not meet the needs of VicPD in the face of increasing challenges in the region, increasingly complex regulatory requirements, and our growing communities. However, it does meet Council's challenge to restrain spending.

1. Greater Victoria Emergency Response Team activations

We continue to see an increasing need for GVERT activations in our jurisdiction for high-risk situations. The need for GVERT activations has increased consistently over the last few years and 2020 was no exception. Last year, GVERT activation costs within our jurisdiction increased by 75% from 2019, a reflection of both the increase in frequency and complexity of high-risk situations in our City requiring a professional response. There is no reason to believe the demand for this service will decrease in the near future.

2. **E-Comm**

The 2021 Provisional Budget includes funding for significant wage increases at E-Comm as a result of arbitration. Since the initial budget was prepared, the Police Board approved that an additional amount be added to continue increasing staff at E-Comm to meet call response standards. As a result, the total costs to maintain 9-1-1 and dispatch have increased by nearly 10%.

3. **Pattern bargaining**

Pattern bargaining within our region for collective agreements for comparative groups (for emergency service and administrative staff) continue to put additional pressures on our financial resources.

4. **Staffing minimum shifts due to staffing shortages**

We continue to experience a significant number of our officers being non-deployable to the front-lines. In 2020, this resulted in a significant increase to Patrol overtime costs in order to fill shift minimums. We believe we will continue to experience this in 2021 as these issues continue.

The number of seats available at the JIBC appears to be limited in 2021 and we have already received a higher than average number of retirement notices for 2021. As a result, we expect staffing resource pressures to continue into 2021 which will present us with significant challenges in maintaining minimum coverage of front-line positions. Often these shortages do not translate into costs savings as gaps to fill minimum front-line staffing requirements can only be filled with callouts of members on their time off.

5. **Retirements**

To assist councils with minimizing the impact of COVID-19 on taxpayers, the Police Board decided in the 2021 budget process to fund retirements 100% from the Employee Benefit Obligation fund, representing a temporary reduction of \$500,000 in the budget.

Retirements have been significantly high over the last few years and we have already received a significant number of retirement notifications for 2021. We expect drawdowns from this fund to be around \$800,000 - \$900,000 for 2021 or nearly 10% of the total Reserve Fund. These are contractually obligated expenditures under the Victoria City Police Union Collective Agreement.

The Police Board trusts that this information satisfies City Council's request on the matter.

Yours Truly,



Mayor Barbara Desjardins
Deputy Co-Chair