



Budget Consultations

Objective

The purpose of the meeting is for the Police Board:

1. To obtain input on councils' priorities for public safety

From the councils' perspective:

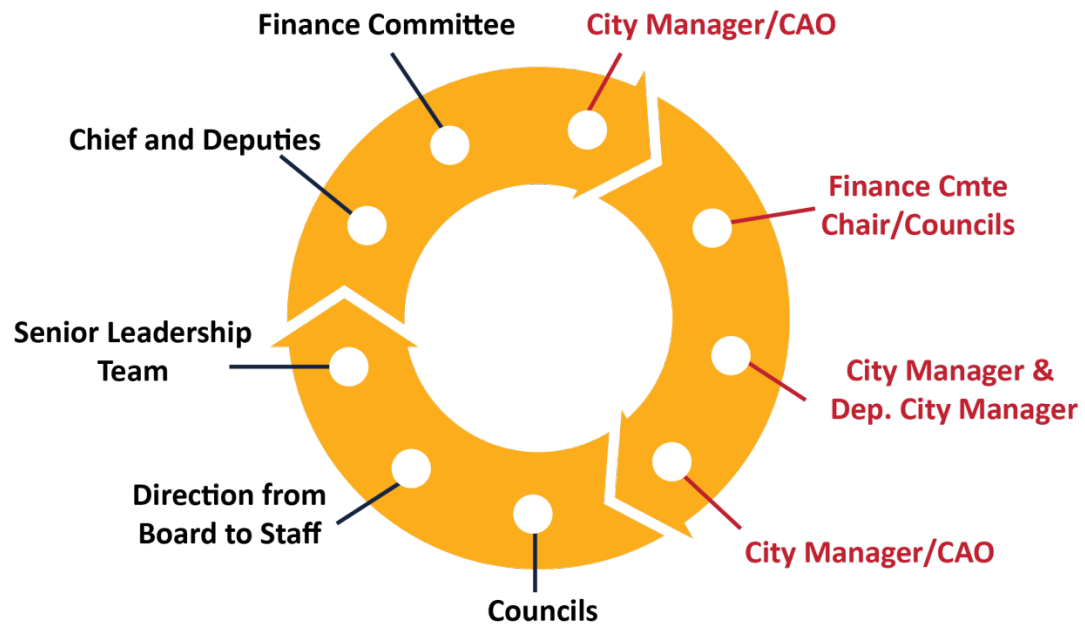
1. Which strategic priorities would you highlight in relation to public safety?
2. What specific public safety priorities would councils like the Victoria Police Department to focus on?
3. What public safety activities would councils consider of lesser priority for the Victoria Police Department?

From VicPD's perspective:

There is a growing deficit in staffing required to meet current and future service expectations. While we continue to manage current demand for police services, and maximize capacity with existing staffing levels and introduce alternate mental health response models, we expect this deficit to remain for some time.

We recognize external pressures require Councils to scrutinize spending on priorities and projects over a multi-year timeline however; reductions in funding for policing will only deepen staffing deficits and result in service level reductions. We want to fully understand Councils' priority areas, should the Board need to work with the Chief Constable on service level adjustments.

Current Budget Process



2024 Budget Timeline

Month	Strategy
May 2023	<ul style="list-style-type: none"> Budget package distributed to VicPD managers
July	<ul style="list-style-type: none"> Completion of strategic budgeting and an internal review by the Chief, Deputy Chiefs, and Controller Special Police Board Meeting to review the requested budget in detail
September	<ul style="list-style-type: none"> Finance Committee Chair to consult with Victoria Council Finance Committee Chair to consult with Esquimalt Council Finance Chair & Executive Team meet with City Manager/CAO and Finance Directors to seek input and discuss improvements to the budget process Recommendation of the provisional budget by the Finance Committee to Police Board
October	<ul style="list-style-type: none"> Finance Committee Chair to approve Provisional 2024 Budget Presentation to Councils Police Board approval of Provisional Budget and Joint Board/Councils presentation Finance Committee Chair and VicPD Executive meet with Victoria City Manager, Esquimalt CAO, and both Finance Directors to review the provisional 2024 Budget in its entirety
November	<ul style="list-style-type: none"> Presentation of Provisional 2024 Budget presentation at Joint Board/Councils meeting
December	<ul style="list-style-type: none"> Presentation of Provisional 2024 Budget to Victoria Council
January 2024	<ul style="list-style-type: none"> Presentation of Provisional 2024 Budget to Esquimalt Council
April	<ul style="list-style-type: none"> Final approval of the 2024 Budget by Victoria and Esquimalt Councils

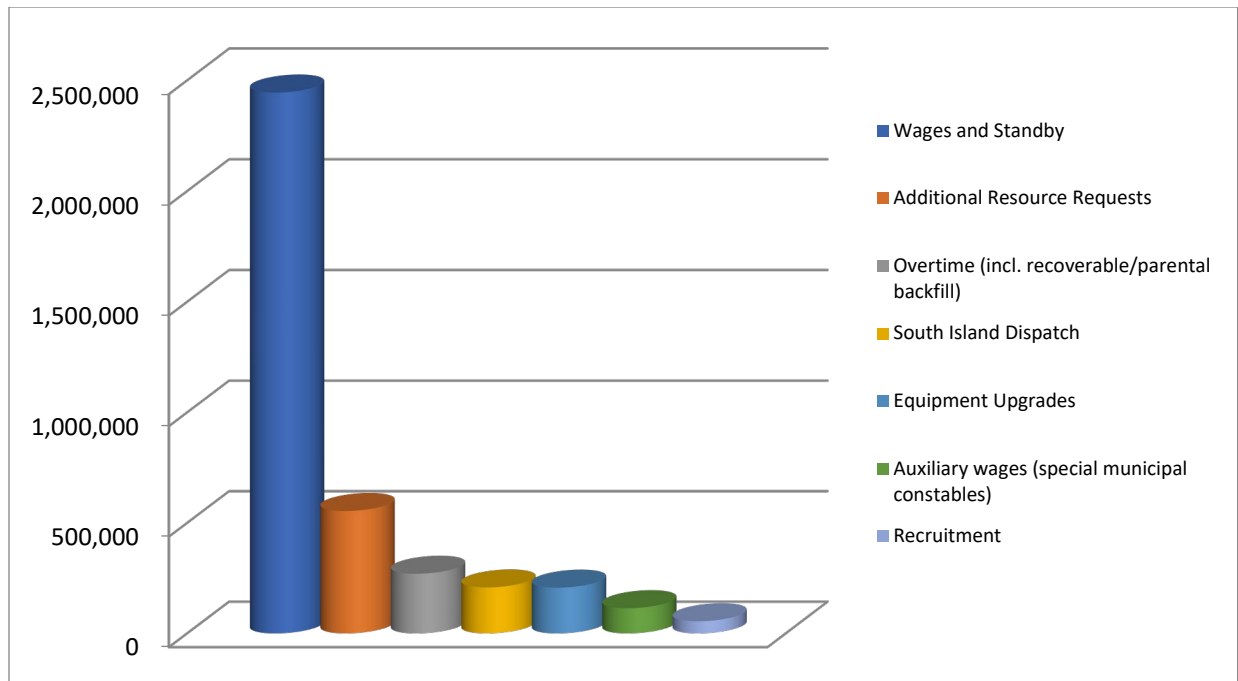
Cost Drivers (and Opportunities) for the 2024 Budget

Cost Drivers

- Cost of living wage increases and adjustments to standby compensation
- Additional resource requests (3 police and 1 civilian)
 - Reintegration Sergeant
 - Training Constable
 - Internet Child Exploitation Investigator
 - Freedom of Information Analyst/Auditor
- Overtime, including recoverable, wage increases and backfill for new parental benefits
- South Island Dispatch (salary increases)
- Equipment Upgrades
- Auxiliary Wages (backfill for Special Municipal Constables)
- Recruitment and retention

Most of these cost drivers are primarily outside of the control of the Police Board. For example, terms of employment for police officers are determined mainly by larger police departments and the need to maintain wages and benefits to recruit and retain officers. Failing to do so will only compound the pressure on the remaining staff and drive cost increases through increased overtime to maintain shift minimums. Initiatives such as the Special Municipal Constables contain cost increases over time by performing specific tasks at a lower pay level than previously performed. Investing in recruitment and retention is similarly necessary to maintain minimum staffing levels and contain increases in overtime that would otherwise be necessary. Other expenses, such as the South Island Dispatch, are contractually required and essential to perform our regular duties.

In the past, we have cut services, such as the Crime Reduction Unit, the Reserves Program, School Liaison Officers, and the Beat and Bike Section. Not funding this budget would result in further cuts to service, directly impacting our ability to deliver adequate and effective policing to our communities.



Operational Reorganization:

In early 2024 we implemented a pilot program to reorganize our operational deployment more efficiently. This multi-month project involved more than 50 staff members and a dedicated committee. As a result, significant changes have been made to the deployment of our police officers, including:

- The creation of a General Investigation Team supporting the Patrol
- The consolidation of outreach services into an Outreach Team
- The consolidation of special municipal constables and court into one section

These and other changes have had a direct beneficial impact on overtime costs. Whereas 2023 overtime reached record levels due to high staff turnover and work-related injuries, overtime levels have now significantly declined and are approaching normal levels. This is even though staff turnover and work-related injuries remain high.

This does not reflect in a reduction to the overtime budget request, as the 2023 actual overtime costs far exceeded the budgeted amount. It does, however, represent a curtailment of those expenditures and has significantly reduced overtime expenditures that would otherwise have resulted in a significant increase to the requested overtime budget.

Ongoing Projects to Improve Organizational Effectiveness

- Next phase, Implement Human Resource Information System
- Pilot leased fleet program

Cost Pressures Beyond 2024

External factors continue to exert pressure on our budget. In the next few years, we will face financial pressure from several external sources in particular:

- Continued increasing costs for 9-1-1 & Dispatch Services
- Increasing costs and capacity issues for recruit training at the Police Academy (JIBC)

The levy for the South Island Dispatch Centre levy will likely increase as they increase staffing and implement the Next Generation 9-1-1 service.

2023 was the first full year of municipalities paying increased fees for the Police Academy. As this and new standards roll out, combined with capacity issues, we expect to see these costs continue. Those increased costs are currently unknown.

Other Significant Challenges

- Reform of the Police Act
- Items not approved by councils in the 2023 budget
- Framework Agreement expiration and possible renegotiation
- Uncertainty over the outcome of the future delivery model of policing to the Township of Esquimalt and the City of Victoria

The Province continues to review the recommendations of the Special Committee on Reforming the Police Act released their recommendations, and we expect legislation to be tabled this fall that may impact the way we deliver policing within our jurisdiction or the resources required to do so.

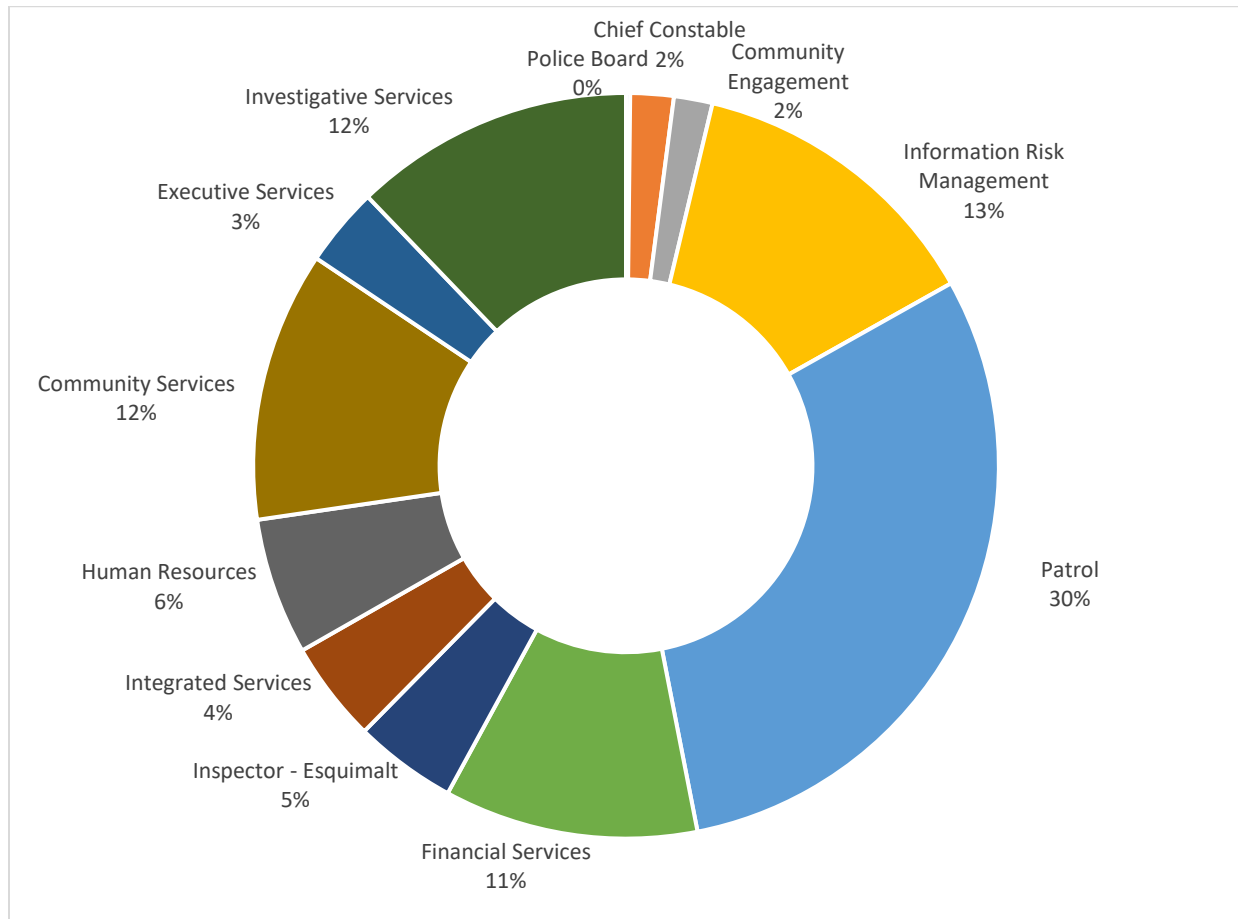
An amount totaling approximately \$1.99 million was not approved by councils in the 2023 Provisional budget. This included reductions that would directly impact operations if not reinstated. Specifically, cuts were made to professional services, building operations and maintenance, and capital transfers that would have significant consequences. The Police Board has appealed this decision to the Director of Police Services per Section 27 of the Police Act. Should any or all of these items be determined to be included in the budget, this will have an impact on the 2024 Police Budget.

The Framework Agreement between the Police Board, the Township of Esquimalt, and the City of Victoria is set to expire at the end of 2023. Both municipalities have expressed their desire not to renew this agreement. The Township of Esquimalt has engaged a consultant to examine future policing models for the Township. A different policing model may be requested from the Province, which could have a material impact on the policing model, resource requirements, and the budget required.

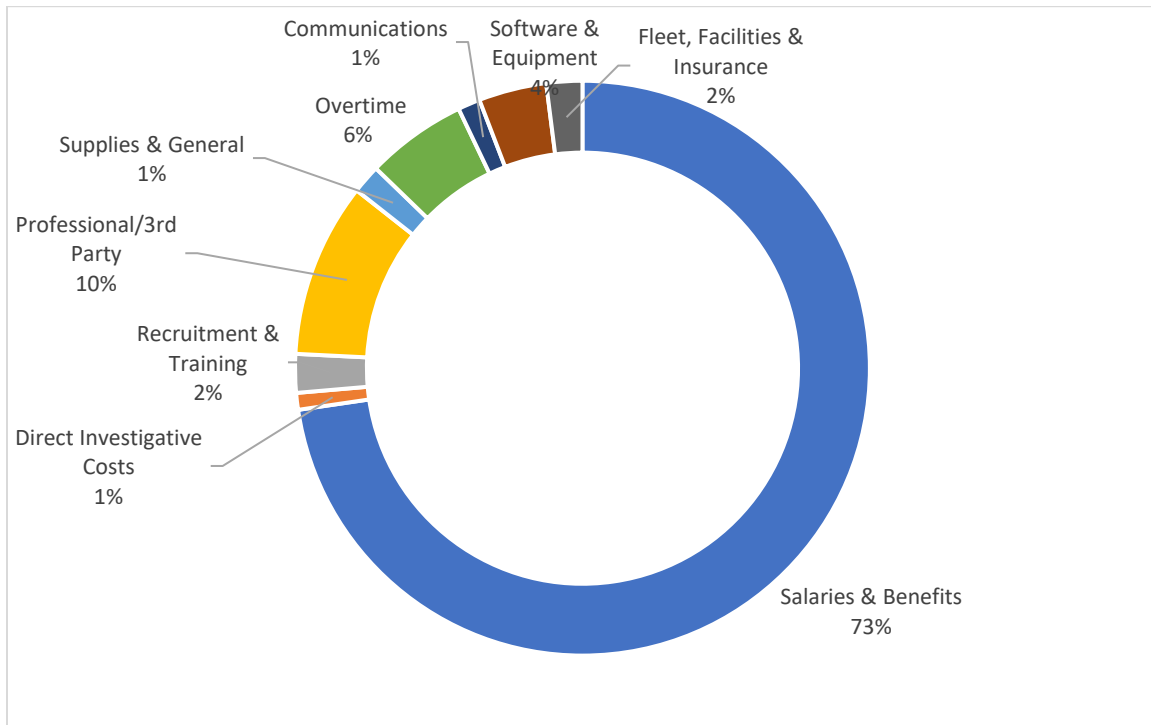
2023 Budget Overview

2023 Operating Expenditures Budget (approved by councils)

Operating Expenditures by Services

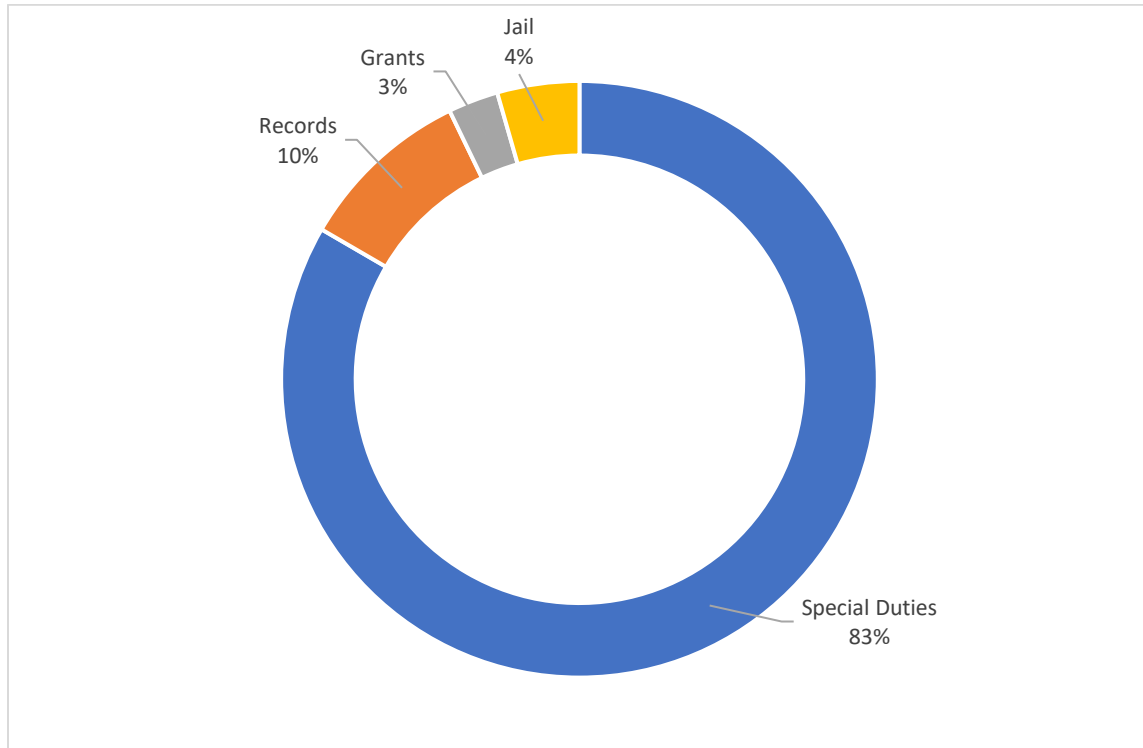


2023 Operating Expenditures by Type



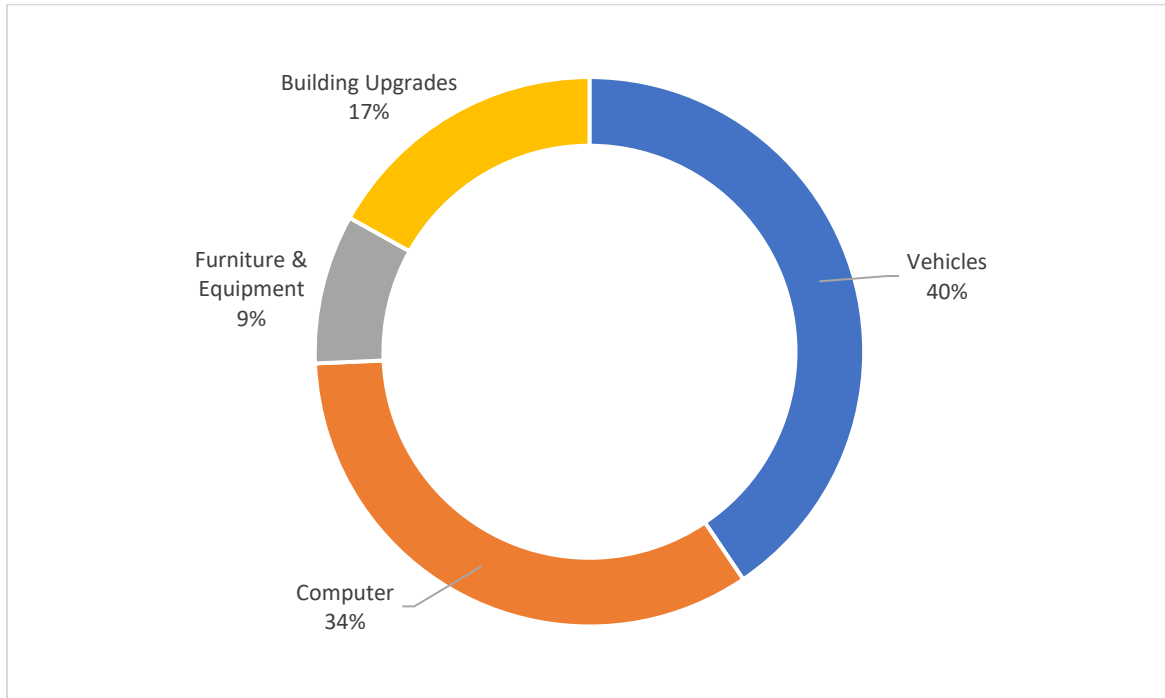
2023 Operating Revenue Budget

- 98% of funding derived from taxation
- Remaining revenues sources are broken down as follows, with most being derived from Special Duties



2023 Capital Expenditures Budget

- 2023 transfers to reserves \$1.2 million
- 2023 capital expenditures \$1.5 million



Capital Projects for 2023

- Replacement of 8-10 vehicles at the end of operational life, depending on replacement costs
- Replacement of end-of-life IT hardware and multi-year software agreements
- Building Upgrades and Furniture Replacement projects canceled due to funding shortfalls