



2016 POLICE PROVISIONAL BUDGET

POLICE OPERATING BUDGET - OVERVIEW

The following is an overview of the Police Department's provisional 2016 budget:

2015 Budget	\$48,884,183	
Increase in salary and benefits for existing staff	1,061,000	
New costs for DNA Analysis	120,000	
Restore annual transfers to reserve funds	30,000	
Increase in information technology costs	56,000	
Increase in building maintenance costs	30,000	
Increase in CREST/PRIME levies	23,000	
Increase in the cost for recruit travel/training	20,000	
Increased cost for existing integrated units	18,864	
Reduction in Overtime Budget	(58,000)	
Net Increase in all other Operating Costs	92,054	
Core Budget Increase required	\$1,392,918	2.85% increase
Supplemental Requests		
Enhance the Department's Response to Mental Health Related Calls	250,000	(2 year pilot)
Increase the capacity for policy development and internal audits	79,000	
Increase Restorative Justice funding from \$17,000 to \$40,000	23,000	
Total Supplemental Requests	\$352,000	0.72% increase
2016 Provisional Budget	\$50,629,101	3.57% increase

In addition to the budget reductions made in 2012 (\$140,000), 2013 (\$446,000), 2014 (\$101,000) and 2015 (\$378,054) the department has identified a further \$184,000 in budget cuts for 2016. **This is a total of \$1.249 million in cuts over the last 5 years.**

POLICE OPERATING BUDGET - EXPLANATION OF CHANGES**VICTORIA POLICE DEPARTMENT
2016 BUDGET**

<i>Description</i>	<i>2015 Budget</i>	<i>2016 Request</i>	<i>Increase/(Decrease)</i>		
			<i>\$</i>	<i>%</i>	
Salaries and Benefits	39,514,000	40,904,000	1,390,000	3.5%	1
Overtime	1,987,000	1,929,000	(58,000)	-2.9%	2
Integrated Units	440,411	482,275	41,864	9.5%	3
Other Operating Costs	5,818,772	6,169,826	351,054	6.0%	4
	47,760,183	49,485,102	1,724,918	3.61%	
TRANSFER TO RESERVE FUNDS	1,400,000	1,430,000	30,000	2.1%	5
REVENUE	(276,000)	(286,000)	(10,000)	3.6%	6
NET EXPENDITURES	48,884,183	50,629,102	1,744,918	3.57%	

1. SALARIES AND BENEFITS:

Police

The current collective agreement with the police union expires December 31, 2015. An estimate based on other negotiated settlements has been used to forecast the police wage increase for 2016.

Professional Staff:

The 2016 negotiated wage increase for CUPE employees is 2%.

Benefits:

Benefits include CPP, EI, Pension, Extended Health, Dental, Group Life Insurance and WCB premiums. The benefits, as a percentage of salaries, is projected to increase from 23.58% to 24.0%

The increase in Salary and Benefits for existing staff is projected to be \$1,061,000.

Additional Staff:

There are two supplemental requests for additional staff. If approved additional funding is required for the new positions; Policy Analyst (\$79,000) and 2 additional officers to enhance the capacity to respond to mental health related calls (\$250,000). The hiring of the additional 2 officers would be on a temporary basis (2 years). This would provide the department with the necessary time to pilot the program and measure the impact it will have on addressing mental health issues.

Increase required for the additional staff is 329,000.

Total Salary and Benefit increase:

Existing Staff	\$1,061,000
Additional Staffing Request	\$329,000
Total	\$1,390,000

2. **OVERTIME:**

The Department has again been able to reduce the overtime budget. The 2016 budget reduction is **-\$58,000 (-2.9%)**. Measures brought in several years ago have resulted in a significant decrease in overtime costs. In 2010 the overtime (using the current wage rate) was \$2.465 million. The budget request for 2016 is \$1.929 million, a reduction of **\$536,000 (-22%)** from the high of 2010.

See Appendix A for measures implemented and annual comparison of overtime costs.

3. **INTEGRATED UNITS**

VicPD's share of the BC Municipal Undercover Program is increasing by \$8,901 from \$48,099 to \$57,000.

Although not approved yet it is anticipated that wage increases will impact the budgets for all other integrated units and VicPD's share of the increase will be \$9,963. There is a supplemental request for an increase of \$23,000 in the Restorative Justice funding from \$17,000 to \$40,000.

Total increase in integrated units is

BC Under Cover Program	\$8,901
All other integrated units	9,963
Restorative Justice	\$23,000
Total	\$41,864

4. **OTHER OPERATING COSTS:**

VicPD completed an analysis of all budget line items and the past 5 years' detailed expenditures to identify cost pressures and potential savings. The net increase of \$351,054 in the operating budget is mainly due to increases in the following:

New costs to analysis DNA	\$120,000
Hardware and Software maintenance	56,829
Building Maintenance services provided by Victoria and Esquimalt	30,000
Travel and accommodation costs for training of recruits	20,000
CREST levy increase	12,714
PRIME levy	10,000
Other various	101,511
Total	\$351,054

Hardware and Software Maintenance:

The Department continues to invest in new technology and hardware/software to achieve efficiencies. Hardware, such as video surveillance cameras, increased storage and recording devices, all require annual maintenance agreements. Software purchases such as employee training administration, equipment and uniform tracking, performance appraisals, enhanced security, virus blocking and mapping all require annual licensing fees. The Department requires an additional \$56,829 to cover the increased costs of all the new applications and hardware.

Building Services provided by Municipalities:

VicPD pays the municipalities for certain corporate costs, including the cost to maintain both buildings (i.e. utilities, general maintenance, janitorial). The charge for building services, \$690,000, has not increased for several years. There has been a request to increase this charge by \$30,000 to \$720,000.

Travel and Accommodations for Recruits:

All newly hired police officers that do not have previous policing experience in Canada must attend the Justice Institute for recruit training. This puts VicPD at a disadvantage over lower mainland departments as VicPD is required to pay for all travel and accommodation costs for a recruit. Based on the anticipated retirements in 2016 it is estimated that the current budget of \$85,000 is not adequate to fund recruit travel expenses. Therefore an increase of \$20,000 is required.

6. TRANSFERS TO RESERVE FUNDS:

Capital:

In 2013 the transfer to the capital reserve fund was \$1,150,000. Since then the transfer has been reduced to \$1,000,000. During the prior year's budget presentations it was noted that the reduction in capital transfers could be made on a temporary basis but in the future it would need to be increased to ensure funding is available for future capital projects. It is estimated that if the capital transfer is not increased and remains at \$1,000,000, the reserve funds will be depleted in 7 years. The 2016 preliminary budget includes an increase in the transfer to capital reserve by \$30,000 to \$1.03 million.

Details on the capital funding plan are in Appendix B.

Employee Benefit Obligation (EBO)

In 2012 the annual transfer to the EBO was \$800,000. Since then the transfer has been reduced to \$400,000. During the prior year's budget presentations it was noted that the reduction in EBO transfers could be made on a temporary basis but in the future it would need to be increased to ensure funding is available for future retirement payments.

This fund is still in a good financial state as it is projected that if the funding remains at \$400,000 the EBO reserve will not be depleted until 2038. However, it will then require significant tax increases to replenish the fund. Incremental increases should be made to ensure the EBO is fully funded. The 2016 preliminary budget does not include any increase in the transfer to the EBO reserve.

7. POLICE REVENUE

The Department used to receive \$25 per special occasion permit processed which resulted in an average of \$10,000 in revenue per year. These applications are now done online. Therefore, VicPD no longer processes special occasion permits. The loss of \$10,000 in revenue is offset by a projected increase of \$20,000 in criminal record check revenue due to an increase in the fees charged.

VICTORIA POLICE DEPARTMENT Revenue Budget

Description	2016
Protective Services	
Taxi Permits	15,000
Special Occasion Permits	0
Police Reports	36,000
Records Permits and Searches (Criminal Information Checks)	<u>140,000</u>
Total Protective Services	191,000
Jail Operations	
Province	85,000
Immigration	<u>10,000</u>
Total Jail Operations	95,000
TOTAL REVENUE	<u>286,000</u>

VICTORIA POLICE DEPARTMENT
2016 Budget Allocation

	2015	2016	Increase \$
Township of Esquimalt	7,332,628	7,442,478	109,850
City of Victoria	41,551,556	43,186,624	1,635,068
BUDGET	48,884,183	50,629,102	1,744,918

Increase	1,744,918
Percentage	3.57%

Cost Allocation based on new agreement

Esquimalt (**14.7%**)
Victoria (**85.3%**)

VICTORIA POLICE DEPARTMENT - Staffing Levels - 2016

Function	Jailers	Civilian	Police	Total	%
Patrol - Primary Response		2	107	109	31.7%
Corporate Support Services		40	6	46	13.4%
Investigative Services Division		5	39	44	12.8%
Communications - 911		30	0	30	8.7%
Operational Support Division		4	22	26	7.6%
Focused Enforcement Team		0	21	21	6.1%
Executive Services		8	13	21	6.1%
Traffic Enforcement		1	11	12	3.5%
Jail	8	0	4	12	3.5%
Integrated Units		1	9	10	2.9%
Crime Prevention		2	6	8	2.3%
K9		0	5	5	1.5%
	8	93	243	344	100.0%

Percentage	2.3%	27.0%	70.6%
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VicPD is requesting 2 additional officers and 1 Professional Support staff in addition to above



APPENDIX A

OVERTIME

Measures taken in prior years to minimize overtime costs

- Provide better tracking of overtime by implementing a scheduling/tracking software program.
- Overtime slips amended to provide more detailed information as to the reason for the overtime.
- Each manager reviews the overtime incurred in their area of responsibility to ensure everything is being done to minimize overtime.
- Most transfers are done well in advance and effective the first of the year. Minimizing the transfers that occur during the year allows for better planning of leave and court dates. Transfers done on short notice can increase overtime because the member's work schedule will change, their leave is often already authorized and court dates are already set.
- Managers are provided quarterly reports on over time usage.

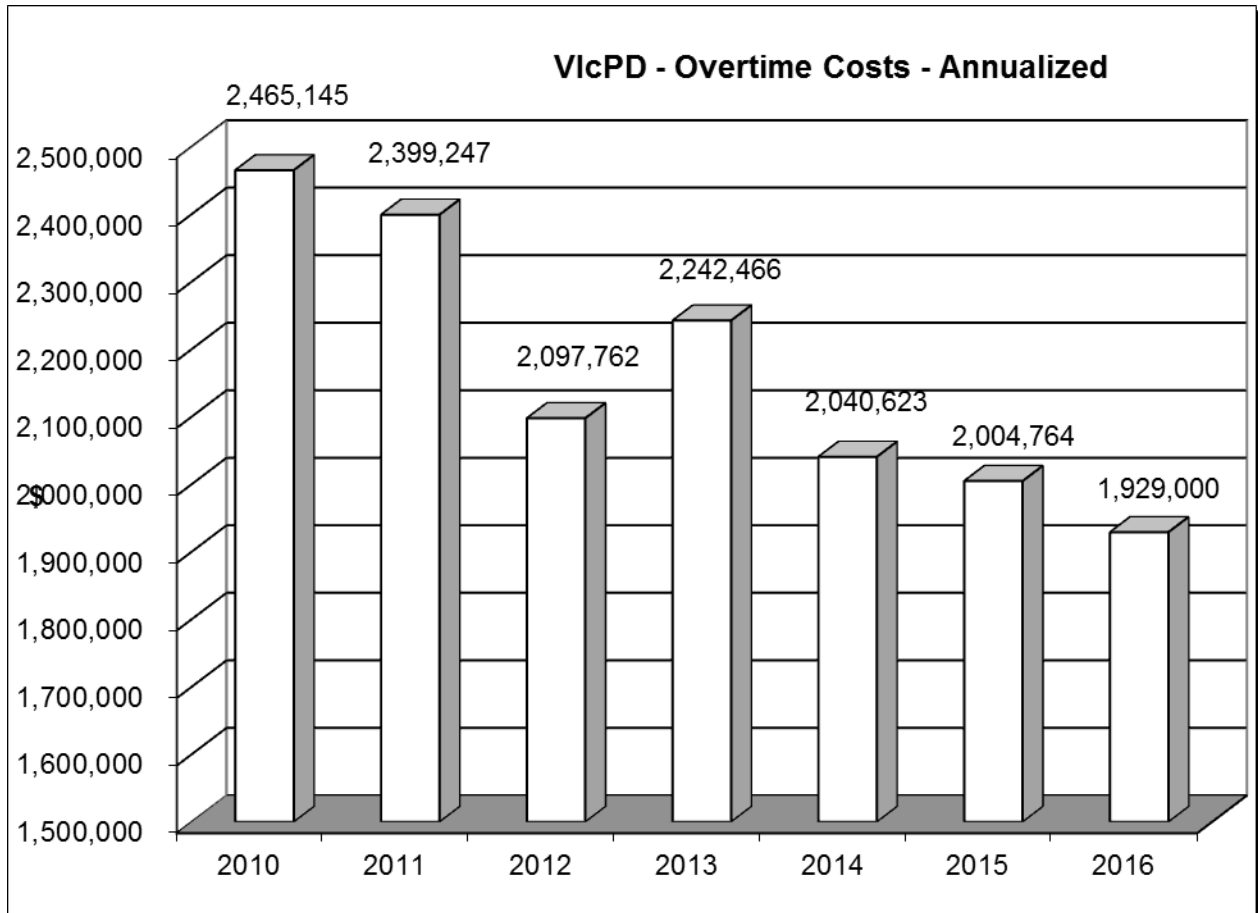
In order to minimize the potential callouts in patrol the following measures have been implemented:

- Planned time off for annual leave and AC time is set at a minimum of 6 members and 1 sergeant per watch. A further one member is allowed off at the discretion of the administration Sergeant. This allows flexibility but also leaves a contingency in case someone calls in sick.
- Compounding the issue of scheduling time off for leave over the past few years has been the ability of members to carry over significant leave (greater than 160 hours) from one year to the next. There is more emphasis on ensuring members reduce their leave balances to the maximum allowable as per the collective agreement.
- Training is scheduled during a members work day whenever possible.
- A training sergeant coordinates the training requirements for the various units such Crowd Management Unit and Emergency Response Team so there is no overlap thus reducing the need to call out additional resources.
- Training for patrol is scheduled for their work day with FET resources providing "backup" so as not to incur any overtime.

- Throughout the year members may not be available for deployment as they will be sick, get injured or placed on light duties. When these vacancies occur in the Patrol Division overtime can occur due to minimum staffing requirements. HR has made it a priority to fill these vacancies. This organizational priority limits the number of call outs required on overtime.
- Non patrol sections, such as FET and traffic, must provide a minimum amount of staff on weekends and some night shifts. These members are counted in strength, thus reducing the risk of having to call out
- The collective agreement compensates members at a higher premium when working on statutory holidays. All non-essential staff are “ordered off” on these holidays. In addition, Patrol members are ordered off to minimum staffing levels. If a supervisor feels that additional resources are required due to special circumstances they are required to make a request to the officer-in charge.
- Court overtime is kept at a minimum by ensuring, where possible, that court dates are set while a member is working.
- Overtime call outs can only occur after the watch supervisor has assessed all on-duty front line resources and determined that existing resources are either not available or cannot be redeployed.

Annualized Overtime costs:

The chart below shows the annualized cost of overtime (not including special events). The 5 year average annualized, 2010 to 2014 is \$2,249,048. The budget request for 2016 is \$1,929,000.





APPENDIX B

CAPITAL / RESERVES

The Police Department is responsible for capital costs for vehicles, computer hardware, computer software, furniture, telecommunications and communication's equipment. VicPD is also required to fund building capital costs such as painting, replacing flooring, replacing air conditioning units, HVAC filtration system and backup power supplies.

Capital costs for fleet are minimized by implementing the following:

- Pooling the vehicles to maximize usage;
- Not increasing the number of vehicles in the fleet;
- Replacing a vehicle based on the mileage driven, mechanical evaluation, years of service, type of service, user input, annual maintenance costs and physical inspection of the overall condition;
- Following best practices for purchasing, thus ensuring a competitive process for vehicle and equipment acquisitions;
- Selecting the least costly vehicle that meets the users specifications and requirements; and,
- Transferring existing equipment from the vehicle that will be disposed to the new vehicle whenever possible

2016 - Capital Funding Plan

	\$	\$
Estimated - Opening Balance - January 1, 2016		1,956,039
2016 Capital Transfer From Police Operating Budget		1,030,000
Less 2016 Expenditures		
Vehicle replacement	446,000	
Computer Hardware Replacements	580,000	
Furniture and Equipment	50,000	
Communication's Equipment	120,000	
Server Room move/Briefing room	234,000	
Transfers out of capital		1,430,000
Closing Capital Fund Balance		1,556,039

RESERVE FUNDS

The Victoria Police Department maintains three reserve funds:

1. Capital Reserve Account
2. Employee Benefit Obligation Account
3. Fiscal Stability Reserve Fund

Annual interest earned is allocated to each reserve account.

Capital Reserve Account

The Police department maintains a capital reserve account for the following capital costs:

1. Vehicle replacement
2. Computer hardware/software replacement/acquisition
3. Furniture, equipment and building upgrades
4. Communication's equipment

A 20 year capital plan is prepared annually.

Employment Benefit Obligation Account (EBO)

The EBO account is an employee liability account that is required to ensure liabilities for items such as banked annual leave and sick leave are fully funded. As of January 1, 2016, the liability was estimated to be \$6,726,149. The current balance is \$6,500,525, a shortfall of \$225,624. Reminder, in 2007 this liability had a shortfall of \$2.5 million. At some point the funding will need to be increased from the \$400,000 because it is projected that if it is not, the reserve will be depleted by 2038.

Fiscal Stability

It is recognized that the Police Department may have an unanticipated event that was not contemplated at the time of budget preparation. One event could be a complex murder investigation. In order to have a contingency for these types of events, both municipalities agreed to a maximum contingency amount of 2.5% of net budget.

The Police Board must approve all expenditures from this account. Any surplus at year end would be transferred to the contingency reserve.

BALANCE OF RESERVE FUNDS**Summary of Reserve Funds - January 1, 2016**

	Opening Balance	Net 2015 Transactions	Closing Balance
Capital Fund	2,200,182	(244,143)	1,956,039
Employee Benefit Obligation	6,106,975	393,549	6,500,524
Fiscal Stability Reserve	1,065,187	167,918	1,233,105
	9,372,344	317,324	9,689,668



APPENDIX C

FUTHER DETAILS

VICTORIA POLICE DEPARTMENT
2016 OPERATING BUDGET - Expenditures by Object

Description	2015 Budget	2016 Request	Increase/(Decrease) \$	%
Salaries - Police (Net of Recoveries)	25,588,000	26,290,000	702,000	2.7%
Salaries - Non Sworn	6,398,000	6,744,000	346,000	5.4%
Benefits - Non Sworn	1,361,000	1,465,000	104,000	7.6%
Benefits - Sworn	6,167,000	6,405,000	238,000	3.9%
Salaries and Benefits	39,514,000	40,904,000	1,390,000	3.5%
Overtime	1,987,000	1,929,000	(58,000)	-2.9%
Integrated Units	440,411	482,275	41,864	9.5%
CREST	702,286	715,000	12,714	1.8%
Equipment Maintenance	831,826	888,655	56,829	6.8%
Car Allowance	72,000	70,500	(1,500)	-2.1%
Business Travel/Recruit Training	185,902	195,000	9,098	4.9%
Memberships	6,000	10,000	4,000	66.7%
Staff Development - Training - POLICE	298,500	331,500	33,000	11.1%
Staff Development - Training - CIVILIAN	79,500	78,000	(1,500)	-1.9%
Advertising - Recruits	12,000	16,500	4,500	37.5%
Car Rental	50,000	45,000	(5,000)	-10.0%
Prison Meals	30,000	30,000	0	0.0%
GVLRA	29,000	29,000	0	0.0%
Laundry	95,000	95,000	0	0.0%
Photocopy Operation	70,000	70,000	0	0.0%
Professional Services	356,440	494,000	137,560	38.6%
Operational Meetings	33,200	47,000	13,800	41.6%
Fuel and Motor Oil	291,000	291,000	0	0.0%
General Supplies	370,500	389,000	18,500	5.0%
Publications	42,000	32,500	(9,500)	-22.6%
Office Supplies	74,500	72,800	(1,700)	-2.3%
Postage	25,000	25,000	0	0.0%
Uniforms	227,800	237,000	9,200	4.0%
Telephone Line Charges	371,000	373,000	2,000	0.5%
Equip. Rental	1,500	1,000	(500)	-33.3%
New Equipment	139,500	142,500	3,000	2.2%
Insurance	161,000	168,000	7,000	4.3%
Litigation	250,000	250,000	0	0.0%
Building Maintenance	690,000	720,000	30,000	4.3%
Claims	50,000	50,000	0	0.0%
Miscellaneous	40,800	64,000	23,200	56.9%
Crime Investigation	105,000	105,000	0	0.0%
Honorarium	48,000	60,500	12,500	26.0%
Lease/Rental Payments	306,000	316,000	10,000	3.3%
Recoveries	(161,482)	(174,629)	(13,147)	8.1%
WCB Recovery	(100,000)	(100,000)	0	0.0%
Finger Print Systems Access Costs	35,000	32,000	(3,000)	-8.6%
Other Operating Costs	5,818,772	6,169,826	351,054	6.0%
TOTAL OPERATING COSTS	47,760,183	49,485,102	1,724,918	3.61%
RESERVE TRANSFERS				
Capital Funding	1,000,000	1,030,000	30,000	3.0%
Employee Benefit Obligations	400,000	400,000	0	0.0%
RESERVES	1,400,000	1,430,000	30,000	2.1%
REVENUE	(276,000)	(286,000)	(10,000)	3.6%
NET EXPENDITURES	48,884,183	50,629,102	1,744,918	3.57%

A. INTEGRATED UNITS:

CRD Integrated Units

Crisis Negotiators	13,363
Emergency Response Team	217,020
Crime Stoppers	57,048
Mobile Youth Services Team	48,844
Diversity	3,000

Provincial Integrated Units

Municipal Undercover Program	57,000
Criminal Intelligence of BC	26,000

Other

Youth Inclusion Camp	15,000
Restorative Justice	40,000
Other	5,000

INTEGRATED UNITS	\$482,275
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B. EQUIPMENT MAINTENANCE:

Fleet Maintenance Costs	\$465,000
Information Technology licensing agreements	356,829
Minor Building Maintenance Costs	40,000
Minor Communications maintenance Costs	15,000
Other	11,826

TOTAL EQUIPMENT MAINTENANCE	\$888,655
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C. PROFESSIONAL AND OUTSIDE SERVICES:

New cost for DNA Analysis	\$120,000
Payroll/Accounts Payable – City of Victoria	120,000
Emergency Family Assistance Program	60,000
Telebail	50,000
Transcriptions Services	45,000
Polygraph Assessments, Occupational Health	34,000
Emergency Preparedness Planning	20,000
Towing Services Contract	15,000
Board requirements	18,000
Computer Analysis	5,000
Critical Stress Management - Assessments	2,000
Other	5,000
<u>TOTAL PROFESSIONAL SERVICES</u>	<u>\$494,000</u>

D. TELECOMMUNICATIONS:

Cell Phone Usage	85,000
Department Landline Phone System	70,000
Repairs and Maintenance	27,000
Hardware Purchases	30,000
Blackberry usage	50,000
Mobile Data Terminals (MDTs) Airtime	25,000
TELUS Link to Esquimalt (Fiber Optic)	21,000
Internet Connection	33,000
PRIME Connection to PRIME BC (Vancouver)	15,000
Long Distance	2,000
RockBay Connection	4,000
Other	11,000
<u>TOTAL TELECOMMUNICATIONS</u>	<u>\$373,000</u>

E. **INSURANCE:**

Vehicle Insurance	\$95,000
Building and Liability	73,000
<u>TOTAL INSURANCE</u>	<u>\$168,000</u>

F. **LEASE /RENTAL PAYMENTS:**

PRIME user Levy	\$267,000
Offsite Storage	24,000
Rental of the firearms range	25,000
<u>TOTAL LEASE PAYMENTS</u>	<u>\$316,000</u>