



PORT MOODY POLICE BOARD

Serving the community since 1913

TO: Mayor and Council

FROM: Port Moody Police Board

RE: 2021-2025 PMPD Operating Budget

DATE: 16 February 2021

C.C. David Fleugel, PMPD Chief Constable
Paul Rockwood, GM Finance & Technology

Please find attached the revised 2021-2025 Port Moody Police Operating Budget documents. You will find the 5-year financial plan, the 2021 driver sheet and the updated Department Summary document.

Kindly be reminded that on November 24, 2020 you received a presentation from the PMPD Police Board on our provisional budget. On January 19, 2021 a motion was passed at the Finance Committee meeting to request the Police Board consider amendments to the police budget to stay within the allocation in the budget guidelines.

The Police Board acknowledges the request to consider potential amendments and reductions. Furthermore, it appreciates that in the wording of its motion, the City of Port Moody Finance Committee recognized the Police Board's unique financial responsibilities under the *Police Act*, whereby the Police Board must prepare and submit to Council a provisional budget to provide policing and law enforcement in the municipality. The Board acknowledges the impacts of COVID-19 on local government and how these are exceptional times with many fiscal pressures for all city departments, including the PMPD. With this in mind, the Police Board undertook the request with a high level of cooperation from the PMPD management team and the General Manager of City Finance & Technology, along with senior finance staff from the city. Invaluable advice was received to achieve the reductions contained in the updated budget documents.

At the February 1, 2021 Police Board meeting, the Board approved the updated 2021-2025 PMPD Operating Budget. The Board is pleased to advise that the budget was reduced by \$132,071 from the provisional budget previously submitted. The amount outside budget guideline is now \$65,343. These reductions are not expected to impact service levels and the offsetting increase in financial risk because of these reductions has been assessed by the Board as being acceptable.



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Many challenges continue for the PMPD to remain within the budget allocation. The budget guidelines generally afford for about a 2% inflationary increase. As you know, 80% of the police budget is salary and wages with collective agreement commitments often beyond the budget guidelines approved by Council. The PMPD is in a position, not unlike the Fire Department's, where regional binding arbitrated decisions outside of Port Moody impact our local collective agreements. It is not uncommon for these regional wage settlements, beyond our control, to go outside what the budget guidelines set out. The collective agreement with the Port Moody Police Service Union expired as of December 31, 2018, so currently the department is out of contract. We are aware of a recent arbitrated settlement for another Metro Vancouver municipal police force where the wage increase for a one-year term for 2019 was 2.5%. Besides wages, PMPD faces other cost pressures, such as inflation for goods and services. Reducing wages would necessitate a drop in service levels. Reductions to other areas of the operating budget would be ineffective, would not bridge the financial gap and are unsustainable in the long term.

The Police Board would like to acknowledge the positive working relationship it has with City Council. In late 2020, due to an updated cost sharing agreement around the regional Integrated Homicide Investigation Team (IHIT), the Police Board was pleased to proactively return to the City \$393,769 in retroactive savings dating back to 2014.

Finally, due to the pandemic and the associated projected loss of local government revenue by the City of Port Moody, the PMPD did not make any requests to carry forward any 2020 operating budget amounts for work not completed. In addition, the Police Board did not make any requests to utilize any portion of the 2020 operating surplus. These decisions underscore the ongoing financial responsibility that continues to be demonstrated by the Board and PMPD in these unprecedented times, with a global pandemic that has had a tremendous impact on society.

Board Chair on behalf of the PMPD Police Board

Attachment

**Port Moody Police Department
Operating Budget for 2021-2025**

	2020 Final Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Revenue						
Traffic Fine Revenue	457,000	516,656	516,656	516,656	516,656	516,656
Growth	486,813	543,063	543,063	543,063	543,063	543,063
Revenue from Tenant	35,000	35,000	35,000	35,000	35,000	35,000
Front Counter	45,000	45,000	45,000	45,000	45,000	45,000
Victim Services Grant	61,336	66,549	66,549	66,549	66,549	66,549
Keep of Prisoners	6,120	6,242	6,367	6,495	6,624	6,757
Allocation from Surplus for Employer Health Tax	51,916					
Total Revenue	1,143,185	1,212,510	1,212,635	1,212,763	1,212,892	1,213,025
Expenses						
Salaries						
Members	8,128,725	8,275,750	8,479,197	8,706,967	8,953,004	9,260,130
Civilians	1,540,027	1,712,558	1,759,898	1,794,205	1,830,160	1,865,317
Total Salaries	9,668,752	9,988,308	10,239,095	10,501,172	10,783,164	11,125,448
Operating Expenses						
Administration	433,669	494,616	503,822	513,719	523,303	533,075
Cell Block	6,120	6,242	6,367	6,495	6,624	6,757
Major Crime	73,708	59,912	61,085	62,282	63,501	64,744
Civic Building	345,619	353,116	360,910	368,877	377,026	385,359
ECOMM	576,417	588,730	615,174	641,038	668,051	696,263
Communciations	5,306	5,412	5,520	5,631	5,743	5,858
Community	40,416	41,176	41,950	42,739	43,545	44,368
Emergency Response Team - Integrated	83,226	82,807	84,877	86,999	89,174	91,403
Front Counter	2,000	2,000	2,000	2,000	2,000	2,000
Integrated Homicide - Integrated	241,622	163,364	167,448	171,634	175,925	180,323
Police Dog Services - Integrated	120,798	121,318	124,350	127,459	130,646	133,912
Identification - Integrated & other costs	33,022	119,791	156,321	160,126	164,024	168,018
Patrol	261,768	270,381	275,665	279,854	285,351	290,958
Traffic	1,561	1,591	1,623	1,656	1,689	1,722
Victim Services	17,160	17,502	17,853	18,209	18,574	18,945
Community Action Team	9,471	9,661	9,854	10,051	10,251	10,456
Vehicles	534,453	544,740	558,754	570,586	581,639	592,360
Total Operating Expenses	2,786,336	2,882,359	2,993,573	3,069,355	3,147,066	3,226,521
Total Expenses	12,455,088	12,870,667	13,232,668	13,570,527	13,930,230	14,351,969
Net Budget	11,311,903	11,658,157	12,020,033	12,357,764	12,717,338	13,138,944
Budget available		11,592,814	11,829,241	12,074,695	12,329,091	12,593,573
Surplus / (Deficit)		(65,343)	(190,792)	(283,069)	(388,247)	(545,371)

PORT MOODY POLICE DEPARTMENT	
2021 BUDGET INCREASE DRIVERS	
2021 Budget over 2020 Budget	
SUPPLEMENTARY INFORMATION	
2020 APPROVED BUDGET	11,311,903
REVENUES	
1. Decrease in funding from City Surplus for employer health tax (Note 1)	51,916
2. Increase in Victim Services Grant	(5,213)
3. Incremental Growth Allocation	(56,250)
4. Increase in Traffic Fine Revenue	(59,656)
5. Other	(122)
6. Cannabis revenues (impact unknown at this time)	-
	(69,325)
POLICE & CIVILIAN LABOR	
7. Impact of projected COL increase for police members	210,945
8. Impact of projected COL increase for CUPE	32,579
9. Change in Benefit rate - increase in CUPE & Exempt, decrease for Police members	25,404
10. Increase for Police member increments - represents 8 members	85,770
11. Decrease for Police member increments for departures vs. new hires	(13,671)
12. Impact of organizational restructuring (Note 2)	(22,473)
13. Reduction in Guard wages	(12,000)
14. Other	13,002
	319,556
OPERATING EXPENSES	
15. Inflationary increases - general operating expenses - 2% & vehicle replacement - 2.5%	39,592
16. Inflationary increases - ECOMM - 5.5% dispatch & decrease in user equipment and radio levy	12,313
17. Inflationary increases - Integrated Teams - 2.5%	9,329
18. Reduction in Integrated Teams Costs	(20,000)
19. Legal fees increase	11,152
20. IT related expenses - anti-virus software, cybersecurity, net motion licenses, telephone system maint.	29,000
21. Impact of organizational restructuring (offset by savings in Item 11. above) (Note 2)	12,824
22. Reduction in fuel costs	(5,000)
23. Patrol - narcon nasal spray no longer funded by Provincial Gov't	3,500
24. Digital Evidence Management System (DEMS) - provincially mandated	-
25. Other	3,313
	96,023
2021 Budget	11,658,157
2021 Budget Allocation (Note 3)	11,592,814
Mandate Surplus / (Deficit)	(65,343)
2021 Budget	11,658,157
2020 Budget Approved	11,311,903
Increase over 2020	3.06% 346,254
	Incr in BUD 0.78%
	Taxpayer effect (Tax Increase)

Notes

[1] The decrease in allocation from City Surplus for the employer health tax is offset by an increased budget allocation in 2021. The employer health tax effectively has no impact on the surplus/deficit for the police budget. The city is phasing in the tax impact of the employer health tax over 3 years. The employer health tax for police for 2021 is projected to be approx. \$156,000 - to fund this increase, our budget allocation increased in 2019 by \$45,566, in 2020 by \$52,118 and the remainder in 2021. Because the budget allocation is being increased over three years (vs. all in one year), the City provided funding from City Surplus for the budget years 2019 and 2020 to ensure no net impact on our budget.

[2] In addition to the operating budget savings as a result of the organizational restructuring there is also an anticipated capital expenditures savings of \$5,200 each year.

[3] City Mandate 2020 Budget + 2% + Employer health tax funding = \$280,912 (Tax increase .63%)

2021-2025 Five Year Financial Plan

PMPD Police Department

The Port Moody Police department is established at 52 sworn police members and 15 civilian staff. The department also has several auxiliary civilian staff members and utilize these employees in a part time capacity, as and when required, generally within the Administration Division.

The department is responsible for maintaining order, keeping the public peace, preventing crime, enforcing statutes, investigating provincial and federal laws and enforcing the criminal code of Canada. The department is governed by the Port Moody Police Board. The Police Board, in consultation with the Chief Constable, determines the priorities, goals and objectives of the department. The Police Board also approves all department policy and approves the budget for the PMPD.

The PMPD consists of the following divisions:

Operations Division (Patrol), responsible for maintaining order, preventing crime and enforcing laws and is the largest and most visible section of the department. Patrol officers work 24/7 and wear a standardized police uniform and drive fully marked police vehicles. Patrol officers respond to calls for service and investigate complaints.

Operations Division (Road Safety Unit or Traffic Section), responsible for working with the community to identify problem areas to reduce harm and non-compliance to the Motor Vehicle Act. Members also work with Commercial Vehicle Safety Enforcement officers and the City of Port Moody Engineering Department on citizen complaints and design issues.

Operations Support Division, responsible for forming multi-disciplinary teams with police expertise in mental health, youth liaison, and community volunteer programs along with media liaison. The division includes uniformed officers in the Community Services Section (CSS), plain clothes detectives in the Major Crime Unit and Community Action Team. Crime Analysts and Victim Services workers also form part of operational support.

Administration Division, responsible for supporting the entire department utilizing mainly civilian (CUPE) employees who work to manage the operation of the cell block, exhibits, vehicle fleet, file records, front counter services, transcriptions of statements, court liaison, IT services, and finance. Police members within Administration include Officers on the Senior Management Team along with training, recruitment, and policy coordination.

Integrated Teams, responsible for highly specialized policing duties. The PMPD participates in regional teams and have members embedded into the regional homicide team (IHIT), the regional police dog team (IPDS) and also the regional Emergency Response Team (ERT). In 2021, PMPD is planning to join the integrated forensic identification service (IFIS). These specialized teams operate throughout the metro Vancouver area. Many of the other independent municipal police agencies also second members to these teams and utilize their expertise when required.

Division Priorities and Key Initiatives

The Port Moody Police are responsible for public safety within the City of Port Moody. The department's main priority is crime prevention, the detection and investigation of crime along with enforcement of the criminal and provincial law. The PMPD are heavily involved in dealing with and assisting vulnerable populations within the city. Persons affected by untreated mental illness, missing persons, those affected by poverty and homelessness, along with substance use, continues to be a

priority for police. Frequently, police interactions with these vulnerable sectors do not relate to any criminal investigation but are related to general social issues.

The PMPD are committed to reducing crime through targeted enforcement of prolific offenders. High police visibility is also a key initiative as it relates to patrols of the Evergreen Extension and within our parks and at community events. Finally, road safety is also a key local priority for the PMPD. This includes the detection of impaired drivers involving alcohol or drugs along with the enforcement of by-laws and the Motor Vehicle Act.

GOAL #1 – MAINTAIN A SAFE AND ENGAGED COMMUNITY			
Ensure timely, effective response	Strengthen delivery of policing services	Increase community engagement and outreach	Address emerging public safety issues and concerns
GOAL #2 – STRENGTHEN ORGANIZATIONAL CAPABILITIES			
Maximize organizational effectiveness	Enhance employee wellness	Optimize training and development	Increase governance effectiveness

Public health emergencies like COVID-19 create unique challenges for police departments and result in additional policing responsibilities for enforcement of public health orders along with extra costs for PPE to keep police members safe and protected. The 2021 budget does not reflect any added costs related to COVID-19. If COVID-19 continues throughout 2021 there will be additional costs incurred for enhanced cleaning for the building and PPE supplies as well as decreased front counter revenues related to fewer criminal record check requests. Police members are at a heightened risk of exposure to COVID-19 due to their close contact with members of the public. If police members are exposed and required to self isolate this could result in increased overtime costs for the department that have not been quantified at this time due to their uncertainty. The additional costs will be partially offset by decreased travel and conferences and community related event spending as well as decreased guard wages for the cell block. Training was unaffected due to the fact that Police training is provincially mandated with the majority of it mandatory. The net cost impact (excluding potential overtime costs if members are required to self isolate) is estimated to be approximately \$30,000. The department is not requesting additional budget for these potential costs at this time.

Budget Highlights

The 2021-2025 Financial Plan includes the required expenditures to deliver the necessary programs and services to the community. The 2021 budget plan maintains the current level of service for policing in the city. The department faces cost pressures, the majority of which are nondiscretionary in nature.

Proceeds from **traffic fines** and **growth allocation** represent 87% (\$1,059,000) of the total police revenues.

Salaries and benefits represent a significant portion of the annual operating expenses at \$9,988,000 (78%). When the projected cost of living and benefits increase (collective agreements) exceed the budget targets it makes it challenging to meet the target without a cut in service level.

Consulting and professional services, 8% (\$1,084,000) of the total operating expenses, consist of quarterly E-Comm dispatch charges, integrated teams, internal audits, and other outsourced police services.

Equipment and vehicle expenses represent 6% of the annual operating expenses at \$732,000. This includes prime user fees, maintenance, insurance, and lease costs.

Government payments related to E-Comm for user fees for radio and equipment levy represent 2% (\$236,000) of the annual operating budget.

Recoveries at 2% (\$245,000) of the overall budget consist mainly of transfers to the Facilities department for building maintenance as well as HR services.

All **other operating expenses**, include training and development, firearms, uniforms, communications, janitorial as well as community related represent 5% of the overall operating expenses at \$589,000.

Police - Budget Summary	PLN 2021	PLN 2022	PLN 2023	PLN 2024	PLN 2025
Revenues	-1,216,776	-1,239,769	-1,212,763	-1,217,158	-1,236,023
Taxes-Real Property	-543,063	-543,063	-543,063	-543,063	-543,063
Services to other governments	-45,000	-45,000	-45,000	-45,000	-45,000
Rev-own sources-other	-35,000	-35,000	-35,000	-35,000	-35,000
Transfer from other govt -prov'l unconditional	-516,656	-516,656	-516,656	-516,656	-516,656
Transfer from other govt -prov'l conditional	-72,791	-72,916	-73,044	-73,173	-73,306
Tsf from reserves-operating	-4,266	-27,134	0	-4,266	-22,998
Expenses	12,874,933	13,259,802	13,570,527	13,934,497	14,374,966
Salary and Benefits	9,988,308	10,239,095	10,501,175	10,783,167	11,125,447
Personnel Services	186,760	199,968	187,647	197,800	195,228
Contracted Services	70,711	72,086	73,487	74,917	76,375
Consulting and Prof Services	1,084,429	1,166,872	1,191,126	1,229,237	1,282,758
Communications	76,233	77,757	79,313	80,899	82,517
Vehicle Expenses	132,803	136,194	139,675	143,248	146,916
Equipment under \$5,000	599,016	613,379	625,547	636,921	662,944
Supplies & Materials	181,353	193,980	188,680	192,453	196,303
Gov't Payments	236,060	243,142	250,436	257,949	265,688
Sundry	60,288	61,454	62,643	63,856	67,093
Recoveries	245,272	250,409	255,666	261,051	266,565
Tsf to reserves-operating	13,700	5,466	15,133	13,000	7,133
Total	11,658,157	12,020,033	12,357,764	12,717,338	13,138,943

Notable Changes

The 2021 Budget has increased by \$346,256 over the prior year budget. The increase is primarily related to salaries and benefits which increased by \$371,000 and an increase in operating expenses of \$100,000.

Salaries and benefits have increased over the prior year largely due to nondiscretionary items such as the anticipated cost of living increases, benefit increases, and police member increments.

PMPD has made some important strategic organizational restructuring changes that will position the department for the future which have resulted in a small cost savings. These strategic changes include joining the regional Integrated Forensic Identification team, adding in house human resources support by reconfiguring and reducing the crime analyst position, creating a civilian Business Systems position to manage upcoming critical projects along with overseeing civilian staff. This was accomplished with the savings realized from joining the Integrated Forensic Identification team as well as the savings realized by the new provincial funding for the Integrated IHIT team. This restructuring has resulted in a net savings of approximately \$9,000.

Operating expenses have increased primarily due to inflation. The other notable increases were related to increased legal fees as well as IT related costs that include new anti-virus software, cyber security training and licenses to allow some staff to work remotely, when necessary.

Revenues have increased over the prior year primarily due to an increase in traffic fine revenue and growth allocation.

Police - Budget Drivers	PLN 2021
Revenue Changes	-121,241
Salaries and Benefits	371,474
Operating Expenses	100,172
Reserve Changes	-4,149
Total	346,256