



NIAGARA REGIONAL POLICE SERVICE

Police Service Board Report

PUBLIC AGENDA

Subject: Budget – 2025 Amended Operating Budget
Report To: Chair and Members, Niagara Police Service Board
Report Date: 2024-11-18

Recommendation

That the Niagara Police Service Board (Board) receive this report for information.

Key Facts

- The purpose of this report is to provide the Board with the amended 2025 operating budget approved by the Budget Review Committee of the Whole (BRCOTW).
- At its Public Meeting held on October 31, 2024, the Board approved the proposed 2025 operating budget for the Niagara Regional Police Service (Service) and Board in the amount of \$216,958,546.00, a 15.1% increase over 2024.
- At the BRCOTW Meeting held on November 14, 2024 the BRCOTW approved an amendment to the proposed budget reducing the amount to \$213,308,546.00, a 13.2% increase over 2024.
- The amendment included a change to the effective date of 43 uniform positions from January 1, 2025 to July 1, 2025 in order to align with the Service's recruitment timelines.
- The amended budget was approved by the BRCOTW and will be subject to final approval as part of the general levy by Niagara Regional Council (Council) on December 12, 2024.

Financial Considerations

There are no financial considerations as a result of the receipt of this report.

Analysis

At its Public Meeting on October 31, 2024, the Board approved the proposed 2025 operating budget for the Service and Board resulting in a Total Net Expenditure Budget before Indirect Allocations of \$216,958,546.00.

It was noted in the report that a mitigation strategy reviewed by the Service was the staggered implementation of program changes in line with expected recruitment timelines. The Service faces lengthy hiring timelines for new constable recruitment due to the length of testing, interviews, background checks, and training. The main

determining factors are the availability of training spots at the Ontario Police College (OPC), as well as the capacity of the Recruiting Unit. Based on the realistic recruitment timeline for the program changes included in the proposed budget, the Service expected a surplus of \$3,650,000.00 in 2025, with all positions being filled by the end of the year. Implementing new position's part way through the year has been a mitigation strategy used in the past to offset current year budget pressures. At the request of Region Staff and in line with the requirements of the Region's Budget Planning By-Law, the staggered implementation of program changes was not proposed, and all program changes were included with an effective date of January 1, 2025.

At the BRCOTW Public Meeting on November 14, 2024, an amendment to the report was proposed by Councillor Steele to reduce the 2025 proposed operating budget of the Service and Board of \$216,958,546.00 by \$3,650,000.00 to \$213,308,546.00. This reduced the overall increase by 1.9%, from a 15.1% increase to a 13.2% increase over the 2024 operating budget. This amendment changed the effective date of 43 program changes from January 1, 2025 to July 1, 2025. The amendment was carried.

In addition, a second amendment was proposed by Councillor Ip that Council direct the Regional Chair to write a letter to Premier Doug Ford and Solicitor General Michael Kerzner to request that the increase to the operating budget of \$10,323,969 or 5.7% as a result of the replacement of the Police Services Act with the Community Safety and Policing Act, be funded by the province, rather than through the tax levy funded by the property taxes of Niagara residents, and this letter be circulated to all 12 local area municipalities, Niagara's 4 MPPs, and the Association of Municipalities of Ontario (AMO), Ontario's Inspectorate of Policing, and the Board. The amendment was carried.

Subsequently the amended 2025 operating budget was approved in principle by the BRCOTW and will be subject to consideration of the general levy for Niagara Region on December 12, 2024.

The 2025 proposed operating budget includes a funding increase of \$17,093,986.00, or 9.0%, that represents the restatement of the 2024 operating budget in 2025 dollars. This restatement includes adjusting for inflation and collective agreement wage settlements. This base adjustment ensures the continuation of the core services approved within the 2024 budget process.

The 2025 proposed operating budget includes a funding increase of \$320,000.00 or 0.2%, that represents the capital funding increase required to reach the Service's target annual replacement balance outline in the capital funding strategy proposed for the 2022 through 2029 budget years.

The 2025 proposed budget included an increase of \$11,069,232.00, or 5.9%, representing service enhancements, growth, and stabilization of policing services to the Region. This increase reflects the external pressures placed upon the Service to meet workload demands, address growing complexity of police investigations as required

from provincial policing regulations, and implement technological advancements. This increase was reduced by \$3,650,000.00 to \$7,419,231.00, or 4.0% as a result of the approved amendment. The table below details the amended program changes:

Program Change Description	AUS	Eff. Jan 1	Eff. Jul 1	Annual Cost	2025 Budget
Frontline Expansion	33	-	33	\$5,314,536.00	\$2,657,268.00
Canine Unit	2	-	2	322,655.00	161,327.00
Talent Acquisition Specialist	1	1	-	118,899.00	118,899.00
Corporate Communications Specialist	1	1	-	119,497.00	119,497.00
Social Media/Visual Content Creator	1	1	-	114,469.00	114,469.00
IT Equipment Hardware Technician	1	1	-	124,544.00	124,544.00
Training Unit Expansion	6	6	-	949,113.00	949,113.00
Health and Wellness Coordinator	1	1	-	142,334.00	142,334.00
Domestic Violence Unit	8	4	4	1,425,965.00	1,094,110.00
3 District Street Crime	1	-	1	167,622.00	83,813.00
8 District Detective Office	2	-	2	335,645.00	167,822.00
Remotely Piloted Aircraft System Unit	1	-	1	198,327.00	99,163.00
Digital Evidence Management System Clerks	2	2	-	206,518.00	206,518.00
Senior Command	4	4	-	1,067,780.00	1,067,780.00
Collective Bargaining Wage Provision	-	-	-	461,328.00	312,574.00
Total	64	21	43	\$11,069,232.00	\$7,419,231.00

Alternatives Reviewed

The alternative is to not receive this report.

Relationship to Police Service/Board Strategic Priorities

Under the provisions of the CSPA, the Board is responsible for providing adequate and effective police services in the Region.

Relevant Policy Considerations

In accordance with Section 50 of the CSPA, the Board submits a funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.

Other Pertinent Reports

9.4 – 2024.10.31 2025 Proposed Operating Budget
BRC-C 7-2024 - 2025 Proposed Operating Budget – Niagara Regional Police Service
and Police Service Board.

*This report was prepared by Courtney Woods, Manager, Finance Unit, and reviewed by
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Submitted by:

Bill Fordy, O.O.M. #9615
Chief of Police

Appendices

Appendix 1 - 2025 Preliminary Operating Budget – Statement of Revenue and
Expenses Amended

Appendix 2 - 2025 Preliminary Operating Budget by Object of Expenditure Amended

Appendix 1: 2025 Preliminary Operating Budget Statement of Revenue and Expenses Amended

Niagara Regional Police Service and Board

	2024 Annual Budget	2025 Base Budget	2025 Program Changes	2025 Annual Budget	Variance	%
Gross Expenditures						
Labour Related Costs	\$189,777,636	\$205,959,964	\$7,366,331	\$213,326,295	\$23,548,659	12.4%
Administrative	4,687,185	4,793,120	27,700	4,820,820	133,635	2.9%
Operational & Supply	2,751,841	3,104,680	25,200	3,129,880	378,039	13.7%
Occupancy & Infrastructure	395,400	396,228	-	396,228	828	0.2%
Equipment, Vehicles & Technology	9,806,388	9,987,168	-	9,987,168	180,780	1.8%
Intercompany Charges	(2,128,883)	(2,210,472)	-	(2,210,472)	(81,589)	3.8%
Transfers To/From Reserve Funds	3,935,000	4,835,000	-	4,835,000	900,000	22.9%
	209,224,567	226,865,688	7,419,231	234,284,919	25,060,352	13.7%
Revenues						
Provincial Grants	(10,893,282)	(10,776,984)	-	(10,776,984)	116,298	(1.1%)
Fees for Service	(5,740,100)	(5,494,900)	-	(5,494,900)	245,200	(4.3%)
Other Revenues	(4,115,857)	(4,704,490)	-	(4,704,490)	(588,633)	14.3%
	(20,749,239)	(20,976,374)	-	(20,976,374)	(227,135)	1.1%
Net Expenditures Before Indirect Allocations	\$188,475,328	\$205,889,314	\$7,419,231	\$213,308,546	\$24,833,217	13.2%

Appendix 2: 2025 Preliminary Operating Budget by Object of Expenditure Amended

Labour Related Costs:

	2024 Annual Budget	2025 Annual Budget	Variance Incr/(Decr)	%
Labour Related Costs				
Uniform Salaries & Wages	104,114,521	117,676,476	13,561,955	13.0%
Civilian Salaries & Wages	38,435,173	41,743,952	3,308,779	8.6%
Benefits & WSIB	42,387,800	49,100,707	6,712,907	15.8%
Additional Compensation	3,797,392	4,154,923	357,531	9.4%
Special Duty	366,750	266,237	(100,513)	(27.4%)
Sick Leave Payout	676,000	384,000	(292,000)	(43.2%)
Total – Labour Related Costs	189,777,636	213,326,295	23,548,659	12.4%

Labour Related Costs will increase by \$23,548,659.00 or 12.4%. This category represents our human resource costs which is approximately 91.1% of gross expenditures. The following are the major contributors to the significant increase in this category:

Cost Pressures to Core Services in the Base Budget, \$16,182,327.00:

- The current Collective Agreements of the Niagara Region Police Association and Senior Officers' Association include a 2.01% wage increase for 2025 as well as several benefit changes. Accordingly, the 2025 base budget will increase by approximately \$3,380,569.00 to fund these changes.
- In addition to the wage increase noted above, the 3 collective agreements governing all service members, include an upwards salary adjustment in the 2025 and 2026 years in order to ensure that the First Class Constable rate ranks 6 out of the Big 12 Ontario Police Services. A provision for this adjustment has been approved by the Board and is based on a conservative forecast model using the rates of police services that have settled their 2025 contracts to date. This provision is impacting Labour Related Costs by \$8,240,347.00. Wages and benefits are negotiated based on the Police industry sector market value to ensure the Service can continue to attract and recruit qualified members.
- Increases to WSIB, statutory deductions such as Canada Pension Plan (CPP), Employment Insurance (EI), and employer paid benefit premiums such as health and dental benefits, are projected to impact the 2025 budget by \$2,682,026.00. The main drivers of these increases include the CPP enhancement that

introduced a second-tier maximum pensionable earnings ceiling in 2024 with an additional increase in 2025 to both maximum earnings thresholds. In addition, an annual ceiling increase to insurable earnings amounts thereby increasing the employer contributions for both CPP and EI. The Service has continued to see pressure on employer provided health and dental benefits due to increase in usage, new enhanced benefits, as well as rising drug and paramedical service rates. Finally, the Service has continued to experience rising WSIB claims experience because of provincial legislation changes surrounding Post Traumatic Stress Disorder (PTSD) as an eligible claim.

- An additional \$2,266,253.00 has been included in the 2025 budget to reflect 2024 full annual cost of program changes implemented part way through 2024. In 2024, 4 program changes were approved with implementation dates of July 1 or September 1, 2024.
- New secondment agreements have increased the 2025 budget by \$505,624.00. These secondments are fully offset by third party revenue recoveries reported under Revenues.
- Each year the Region establishes the number of days to be used for budgeting salary and benefit expenditures, which is based on the number of weekdays (Monday to Friday) between January 1 to December 31. For 2025, the budget will be based on 261 days, a decrease of one day from 2024, which will decrease the base budget by \$635,814.00.
- All other changes represent a decrease of \$256,678.00. The main driver of the decrease is a reduction in the forecasted termination sick leave payout based on the remaining payout balance as well as retirement rates.

Impact of Program Changes, \$7,366,331.00:

- The Service is proposing 16 Program Changes (resulting in an additional 57 uniform and 7 civilian positions) in the 2025 operating budget, with a total labour related cost of \$10,988,432.00 on an annual basis. 21 of these program changes are effective January 1, 2025 with the remaining 43 position effective July 1, 2025. A detailed business case for each program changes is included in Appendix 3, with a summary of the authorized strength impact in Appendix 4 of the original board report.

Administrative:

	2024 Annual Budget	2025 Annual Budget	Variance Incr/(Decr)	%
Administrative				
External Professional Services	1,197,868	1,230,260	32,392	2.7%
Staff Development	1,196,148	1,303,392	107,244	9.0%
Office, Advertising, Travel	639,515	601,502	(38,013)	(5.9%)
Telephone & Communications	1,282,278	1,271,468	(10,810)	(0.8%)
Licensing & Permits	102,846	106,238	3,392	3.3%
Employee Medicals	126,000	168,000	42,000	33.3%
General Administrative Costs	142,530	139,960	(2,570)	(1.8%)
Total – Administrative	4,687,185	4,820,820	133,635	2.9%

Administrative costs will increase by \$133,635.00 or 2.9%. This category comprises approximately 1.8% of gross expenditures. The following are the major contributors to the significant increase in this category:

- External professional services have increased by \$32,392.00 or 2.7% as a result of inflationary increases in external legal fees.
- Staff development expenses have increased by \$107,244.00 or 9.0% which reflects the increase in cost of attending mandated Ontario Police College (OPC) courses. Due to capacity constraints at OPC, they have restricted the use of their accommodations to basic constable courses only. As a result, all currently serving members required to attend courses are required to stay at local hotels or courses are provided at satellite locations. This change has significantly increased travel and meal expenses. The Service has partially mitigated these pressures by decreasing staff development budgets for all optional courses, and will explore other cost reduction efforts such as online professional development in order to avoid travel and meal expenses. Service reductions were partially offset by an increase in the Board budget of \$15,000.00 in this category.
- Office, advertising, travel have decrease by \$38,013.00 mainly the result of a targeted mitigation strategy to reduce non-discretionary expenses to help offset current year budget pressures.
- Employee medicals have increased by \$42,000.00 to reflect current spending patterns related to physical and psychological medical evaluations for new recruits including constables, special constables, auxiliary officers, and communicators. Employee medicals also include costs for currently serving members requiring medical testing to apply for certain positions such as the Emergency Task Unit, costs to support the disability management program, as well as the cost of the safeguarding program which is a psychological screening program for members assigned to positions with a higher risk of secondary

traumatic stress because of the nature of their duties, investigations, and/or repeated exposure.

Impact of Program Changes, \$27,700.00:

- The Service is proposing 16 program changes in the 2025 operating budget, with an administrative cost of \$27,700.00. These costs include the use of Service provided cell phones based on the requirements of each position in line with Service policy, as well as staff development courses required due to the increase in the number of trainers within the Training Unit.

Operational & Supply:

	2024 Annual Budget	2025 Annual Budget	Variance Incr/(Decr)	%
Operational & Supply				
Program Specific Supplies & Materials	1,303,216	1,645,855	342,639	26.3%
Uniforms	772,650	807,825	35,175	4.6%
Investigation Expense	546,000	540,600	(5,400)	(1.0%)
Other Expenses	129,975	135,600	5,625	4.3%
Total – Operational & Supply	2,751,841	3,129,880	378,039	13.7%

Operational and supply costs will increase by \$378,039.00 or 13.7%. This category represents our uniform, equipment and supply costs which is approximately 1.3% of gross expenditures. The following are the major contributors to the significant increase in this category:

- Program Specific Supplies and Materials have increased due to the implementation of required training processes mandated in the CPSA and the resulting pressure on arsenal supplies and equipment including ammunition. The two main changes as a result of the new Act include the return to two sessions per year of In-Service Training (IST) which increase Taser ammunition training requirements as well as the significant increase in the number officers required to be trained on Patrol Carbines (C8s) as a result of the immediate rapid deployment and active shooter training requirements.

Impact of Program Changes, \$25,200.00:

- The Service is proposing 16 Program Changes in the 2025 operating budget, with an operational and supply cost of \$25,200.00. These costs include the uniform costs to fully outfit all sworn members.

Occupancy & Infrastructure:

	2024 Annual Budget	2025 Annual Budget	Variance Incr/(Decr)	%
Occupancy & Infrastructure				
Property Leases	98,950	130,028	31,078	31.4%
Property & Infrastructure Maintenance	296,450	266,200	(30,250)	(10.2%)
Total Occupancy & Infrastructure	395,400	396,228	828	0.2%

Operational and supply costs will increase by \$828.00 or 0.2%. This category represents our leases and minor building renovations which is approximately 0.2% of gross expenditures. The following are the major changes within this category:

- Property leases have increased as a result of an increase in parking spaces leased from Niagara College for training unit staff as the Service has exceeded the available capacity at the Center for Policing and Community Safety Studies located on Niagara College property. Also included is the annual range rental fee required for C8 training, as the Service’s range is not equipped to handle rifle fire.
- Offsetting decreases have been included as a result of a one-time minor building renovation that increased the 2024 budget, this project has been completed, and the 2025 budget returned to historical levels.

Equipment, Vehicle & Technology:

	2024 Annual Budget	2025 Annual Budget	Variance Incr/(Decr)	%
Equipment, Vehicles & Technology				
Minor Equipment & Equipment Maintenance	2,441,833	2,407,953	(33,880)	(1.4%)
Gasoline	1,883,326	1,980,550	97,224	5.2%
Vehicle Maintenance	1,433,000	1,371,500	(61,500)	(4.3%)
Computer Licenses & Support	4,048,229	4,227,165	178,936	4.4%
Total Equipment, Vehicles & Technology	9,806,388	9,987,168	180,780	1.8%

Equipment, Vehicle & Technology costs will increase by \$180,780.00 or 1.8%. This category represents our minor equipment, gasoline, vehicle maintenance and computer licenses and support which is approximately 4.2% of gross expenditures. The following are the major contributors to the significant increase in this category:

- Gasoline expenses have increase by \$97,224.00 or 5.2%, which is based on the recommendation by the Region’s Energy Management Manger to increase vehicle fuel rates by 5% over prior year. The Service has increased the 2024 budget rates by the recommended percentage; however, the Service budget rate of \$1.59/Litre is below the Region’s budget rate of \$1.73/Litre. Based on current

spending patterns, the Services budget rate has been sufficient, and therefore only the recommended percentage increase has been included.

- Computer Licenses & Support have increase by \$178,936 based on expected inflationary increases as well as an increase in Digital Evidence Management System license costs with the change of Basic Licenses to Pro Licenses required due to the roll out of Automated License Plate Readers and In-Car Cameras.
- Partially offsetting savings have been included in Minor equipment as 2024 budget was increased for one-time grant funding received, and vehicle repair costs have decreased due to repairs being completed by Niagara Region Fleet Services and therefore the offsetting increase is reported in Intercompany Charges below.

Intercompany Charges & Contributions To/From Reserve Funds:

	2024 Annual Budget	2025 Annual Budget	Variance Incr/(Decr)	%
Intercompany Charges	249,498	339,471	89,974	36.1%
Intercompany Recoveries	(2,378,380)	(2,549,943)	(171,563)	7.2%
Contributions To/From Reserve Funds	3,935,000	4,835,000	900,000	22.9%

Intercompany Charges – Intercompany charges received from the Region will increase by \$89,974.00 over 2024. The main driver in this increase is the vehicle maintenance and repairs expenses charged to the Service by Region Fleet Services for repairs completed on Service vehicles that are in line with current usage and spending patterns. Intercompany recoveries received from the Region will increase by \$171,563 over 2024, which include the funding received for the 911 Program. The Service operates as the Public Safety Answering Point (PSAP) on behalf of the Region. As such the Region funds 16 communicator positions to answer all 911 calls. The current year increase reflects the collective agreement changes and provision for those 16 positions.

Contributions To/From Reserve Funds – A detail reserve fund balance and current year transfers can be found in Appendix 5. The current year increase of \$900,000.00 is a result of 2 impacts: the annual increase in support of the capital financing strategy of \$320,000.00 and the reduction to the contribution from the contingency reserve. Firstly, in 2022, the Service implemented a capital funding strategy to increase contributions each year for the years 2022 to 2029 to reduce the capital funding gap currently experienced for assets scheduled for replacement. This strategy will reduce the Service dependency on alternative financing options such as debt financing. Secondly, the transfer from reserves have decreased by \$500,000.00 due to elimination of the one-time 2024 transfer to offset one additional salary day which is not required for 2025. In addition to the 2 main contributors, an \$80,000.00 reduction in the accumulated sick leave reserve as eligible remaining members continue to decline and their projected retirements have been extended to beyond 2025.

Revenues:

	2024 Annual Budget	2025 Annual Budget	Variance (Incr)/Decr	%
Revenues				
Provincial Grant Funding	(10,893,282)	(10,776,984)	116,298	(1.1%)
Fees For Service	(5,740,100)	(5,494,900)	245,200	(4.3%)
Other Revenue	(4,115,857)	(4,704,490)	(588,633)	14.3%
Total – Revenues	(20,749,239)	(20,976,374)	(227,135)	1.1%

The Service receives funds to offset gross expenses from third-party agencies in the form of provincial grants, revenues received for seconded positions participating in provincial initiatives, and Ontario Lottery and Gaming (OLG) transfer payments from City of Niagara Falls. In addition, this category includes fees for services related to special duties and employment and volunteer records checks.

For the 2025 budget year, the Service will recognize a gross revenue increase of \$227,135 or 1.1%. The following are the major contributors to the significant increase by sub-category:

- Provincial Grant funding is decreasing by \$116,298.00 due to the timing of approvals for one-time grants. In 2024, the Service recognized grant revenue for the Mobile Crisis Rapid Response Team (MCRRT) Enhancement Grant as well as the Victim Support Grant, another round of these grants have been offered and applied for, however notification of approval has not been received. Granting funding levels for the Services two largest grants including the Court Security and Prisoner Transport (CSPT) and the Community Safety and Policing (CSP) Grant are expiring in the year. As funding amounts for 2025 are not known, a budget assumption has been included to keep grant funding at historical funding levels.
- Fees for Service will decrease by \$245,200.00 or 4.3%, 3 main drivers of this revenue include a reduction of \$120,200.00 in special duty revenues due to current experience and frontline availability, a reduction of \$300,000 in the City of Niagara Falls OLG transfer payments based on forecasted revenues calculated at 18% of Revenues to a maximum of \$4,200,000.00, as well as a partially offsetting increase of \$175,000.00 in the Records and Information Unit for employment and volunteer background checks, as a result of increased usage and a user fee review.
- The increase in other revenue is the result of new secondment agreements signed during the year as noted in labour related costs. The Service recovers these costs from other agencies such as the Ontario Provincial Police, Royal Canadian Mounted Police, Ontario Police College (OPC) and various ministries. Included in the 2025 budget, increases of \$525,629.00 are attributed to the additional secondment of 2 officers, one at OPC and one as part of the provinces

repeat offender parole enforcement unit. Other minor increases are a result of recoveries of operating expenses for shared services projects with lower tier municipalities.