



NIAGARA REGIONAL POLICE SERVICE

Police Services Board Report

PUBLIC AGENDA

Subject: Capital Budget and 9-Year Capital Forecast – Budget Year 2022
Report To: Chair and Members, Niagara Police Services Board
Report Date: 2021-07-12

Recommendation(s)

That, subject to approval by Regional Council of the consolidated Capital Budget, the Niagara Police Services Board approves the following with regards to the 2022 Police Service Capital Budget and Forecast:

1. That the 2022 Capital Budget of the Niagara Regional Police Service of \$3,916,900 as summarized in Appendix 1, be approved.
2. That financing in the amount of \$3,916,900 be initiated upon approval of the 2022 Capital Budget and be allocated to the projects as summarized in Appendix 1. Financing for the 2022 Capital Budget is from the Police Capital Levy Reserve in the amount of \$1,498,900 from the Vehicles and Equipment Reserve Fund in the amount of \$2,078,000 and from debenture debt in the amount of \$340,000.
3. That the 9-Year Capital Forecast be received as a guideline for the development of future Capital Budgets.

Key Facts

- The purpose of this report is to seek the Board's approval for the 2022 Capital Projects.
- As outlined in the June 2021 Police Service Board report NRPS Budget Planning-2022 Operating and Budget, the Service is required to submit the approved 2022 Capital Budget to Corporate Services by August 2, 2021.
- Consistent with prior years, the Service considered all identified capital requirements and has prepared an annual budget and 9-year forecast that provides for continuity of services based on the Capital Financing Strategy adopted by the Region in 2019.
- Recognizing the significant gap between capital funding and the replacement costs of existing assets, the Region has developed a strategy that will reduce the funding gap

by the year 2029. By adopting this similar strategy, the Service will need to increase its transfers to capital reserve contributions by approximately \$320,000 or 0.2% for each of the years 2022 to 2029.

Financial Considerations

Approving the recommendations set forth in this report will impact the 2022 Operating Budget. The adoption of the proposed capital financing strategy for the 2023-2031 budget years will impact future operating budgets. Without implementation of a long-term investment strategy, there are risks to the sustainability of the Service's capital assets. Consequences include continued deferral of projects, potential asset failure, and reduced level of service. This proposed strategy is consistent with the Region's 2019 capital financing strategy to fund replacement of existing assets using contributions from the operating budget and to fund capital for strategic initiatives from debt financing options.

In 2016, the Niagara Region contracted services with GHD Consulting Engineers to evaluate the state of its assets and provide recommendations on an asset management plan (AMP) strategy. The report scope included Police Fleet and IT assets only with a reported replacement value of \$32.8M. Further, the study reported the fleet asset life cycle to be between 5-9 years; and 4-10 years for IT equipment. The report highlighted the gap in available reserve funds to replace existing assets by using an indicator referred to as the Average Annual Renewal Investment (AARI); this value calculates the annual investment needed to sustain existing assets based on replacement value. For police this optimal annual funding value was calculated to be \$5.6M. Based on the findings of the report, the Niagara Region developed a capital financing strategy that received council approval in 2019 (CSD51-2019). The strategy emphasized linking revenue and expenditure decisions for sustainability using various financing sources for different types of infrastructure.

The four main sources of capital financing to fund the 10-year capital program are debt, reserves (pay-as-you-go), development charges, and external sources. With debt and development charges used to support strategic initiatives and growth projects, reserves would be used to fund replacement of existing assets in support of current levels of service. Since there exists a significant gap between annual capital reserve contributions and capital replacement costs, a capital financing strategy was adopted by the Region that would reduce the funding gap by 2029. This strategy required the Region to commit 1% of the tax levy increase per year toward increasing the capital funds used for levy departments and debt financed projects.

Service staff are recommending a similar capital financing strategy be introduced beginning in 2022 to reduce the gap between capital reserve contributions and forecasted replacement costs by 2029. The Service currently utilizes two methods of financing capital expenditures: 1) contributions from the operating budget and 2) debt financing. Historically, the Service has funded its asset replacement with a combination of contributions from the operating budget (reserve funds) and debt financing from the Region capital budget. The operating budget contributions have been maintained at \$2.8M per annum with only minor fluctuations made to this base. Due to the significant cost associated with debt financing, there is a maximum annual limit placed on its use. This results in prioritizing capital assets submitted by all Region

departments including ABCs where many are deferred to subsequent years. For those deferred projects, this strategy results in a potential risk of failure. A more sustainable and cost-effective strategy has been adopted by the Region to fund the replacement of existing assets from reserves that are contributed from the operating budget. This strategy is also proposed for the Service. The table below highlights the current contributions to capital reserves levels approved for the 2021 operating budget and the target annual contributions from Operating budget based on the AMP study's AARI indicator.

	Amount
2021 Operating Budget Contributions to Capital Levy Reserve	\$1,425,000
2021 Operating Budget Contributions to Vehicle Levy Reserve	1,400,000
Total – 2021 Contributions to Capital & Vehicle Levy Reserves	\$2,825,000
2029 Target Annual Capital Re-Investment Funding	\$5,625,000
Funding Shortfall	\$2,800,000

To mitigate this funding gap, an 8-year funding strategy is proposed that will require the following:

- In 2022, redirect \$240,000 from existing budgeted operating accounts in Fleet and IT to the capital reserve account.
- In 2022, redirect the one-day salary surplus budget of \$500,000 for a one-time contribution to the capital reserve account.
- In 2022, commit \$320,000 or 0.2% of the base increase to the vehicle replacement reserve account.
- For the years 2023-2029, commit \$320,000 or 0.2% of the base increase to the capital levy reserves.

With this investment, the Service would achieve its target AARI asset replacement value of \$5.6M by 2029. The following table illustrates the proposed capital financing strategy for 2022.

	Amount	Incr to 2022 Budget
2021 Operating Budget contributions to Capital Reserve	\$2,825,000	
Plus: Redirect existing 2022 Operating Budgets from within Fleet & IT	240,000	Nil
Redirect salary savings realized from one less budget day in 2022; one-time contribution	500,000	Nil
2022 Base increase	320,000	0.2%
2022 Operating Budget contributions to Capital Reserve	\$3,885,000	

Further, for the years 2023 to 2029 a base increase of \$320,000 is proposed to achieve an operating budget contribution to capital reserve funds of \$5,625,000 by 2029. During

this period (2023 to 2029), the Service will continue to require debt financing to bridge the financing gap for the replacement of its assets. However, this strategy would ensure the Service achieves the Region's capital financing strategy of "pay as you go" by 2029. It is important to note that the Service will continue to use debt financing for its long-term accommodation strategy which will be developed in consultation with the Region.

This capital financing strategy will require the use of the one surplus salary budget day in 2022 in the amount of \$500,000 and committing new base budget dollars totaling \$320,000 or 0.2% which could otherwise be used to mitigate known budget pressures anticipated for this year.

Appendix 2 illustrates the contributions from reserves, the capital disbursements, and planned account balances for the years 2022 through to 2031. Appendix 3 provides a summary of capital expenditure forecasts and their funding sources which are either from capital levy reserves or debt financing.

Analysis

The capital budget and forecast identify the projects and funding sources required to provide the Service with vehicles, equipment, and facilities. The 2022 capital budget is being presented to the Board for approval. The subsequent 9-year forecast has been updated and is being submitted to ensure that a plan for continuity of services is maintained.

The Service undertakes a thorough capital budget process that considers the current state of repair for existing assets which support current levels of service, emerging trends (specifically new technologies), the adoption of legislated changes in policing, and the Police Service Board's Strategic Plan. On May 18, the capital budget process was launched with Program Managers submitting their capital needs to each division Executive Lead. Each capital proposal is reviewed and then recommended by the Executive Lead for further consideration if supported. Of the submitted proposals a total of 23 projects valued at \$8.2M were selected for first round review.

On June 21, Executive Leaders met to review and prioritize each of the capital projects selected in the first round; this meeting was facilitated by the Finance Manager. Upon completion of the meeting, 6 capital projects valued at \$3.4M were either deferred or existing funds within the operating budget were identified as alternative financing option. The remaining 17 projects valued at \$4.8M were advanced to the second round. Since the remaining projects exceeded available funds, each Executive Lead was asked to follow up with Program Managers to determine risk of asset failure or impact to operations if their project was deferred to a future year. During this period of review, the Finance Unit considered a capital financing strategy that recognized the capital asset requests put forward for 2022 and the potential impact on operations by deferring any of the projects to the following year. This collaborative effort resulted in a further reduction of approximately \$0.5M where 5 projects considered to be least impactful to operations for

the 2022 year were deferred. One project submitted for consideration, NG911, was placed on hold.

The final list of projects submitted for Board approval excludes the capital project for NG911 which requested \$450,000 funded from debenture. After consultation with the Region, the NG911 2022 Capital Project is held pending the completion of an assessment report from a third-party consultant due by Q4 of 2021.

In preparation for new generation i3 standards technology solutions (NG911) a CRTC mandated requirement by March 31, 2024, the Service submitted and received capital funding approval totaling \$1,100,000; \$400,000 in 2019 and \$700,000 in 2020 respectively. For the 2022 Capital Budget process, the Service was prepared to submit a request to fund an additional \$450,000 using debenture financing based on preliminary information estimating the cost of a turnkey solution to be approximately \$1.5M. However, in consultation with the Region, this project will remain on hold pending the results of the consultant report. Once this report is complete, the Region has committed to the Service it will propose sources of financing if the project costs are expected to exceed \$1.1M.

Appendix 1 provides a summary of the projects selected for the 2022 Capital Budget. The total requested capital expenditure for 2022 is \$3,916,900. The request represents a decrease of \$1,972,100 from the amount forecasted in 2021. Detailed Capital Project Business Cases for each proposed 2022 Capital Project are attached as Appendix 5 (1-11)

Appendix 5	Project Description	Amount
(1)	Vehicle Replacement	\$1,928,000
(2)	IT and Network Equipment Lifecycle Replacement	900,000
(3)	Dive Truck	340,000
(4)	Rapid Deployment Front Line Equipment	240,000
(5)	CEW Replacement	168,000
(6)	Binocular Night Vision Devices	62,000
(7)	Collision Scene Mapping and Data Collector System	45,000
(8)	Breath Alcohol Tester Instruments	32,400
(9)	Roadside Screening Devices	29,500
(10)	Equipment Asset Tracker	22,000
(11)	Command Post	150,000
	Total	\$3,916,900

The two potential sources of capital financing for Niagara Regional Police Service Capital Projects are capital reserves or the issuance of debenture debt. The total amount of the 2022 Capital Projects financed by Reserve Accounts is \$3,576,900 and \$340,000 by debt.

Capital Forecast

The Capital Forecast for 2023 to 2031 is summarized in Appendix 3 and detailed in Appendix 4 (A – I). For each year, a comparison of the updated forecast to that previously presented during the 2021 Capital Budget and forecast is included. Revisions reflect adjustments in timing, estimated expenditures and new initiatives. When a significant capital acquisition is made, the replacement of that asset is forecasted in a timeframe consistent with its estimated useful life. As a result, the forecast serves as a comprehensive guideline for the Service that is very important in ensuring continuity of services provided as well as enhancing the accuracy of long-term financial plans.

The 9-year forecast includes \$40M for the Facility Master Plan which outlines plans for a new Training facility, Emergency Service facility, and Fleet/Quartermaster. In addition, other major capital replacements required over the next ten years have been identified with estimated figures. Total investment for the period of 2022 to 2031, including facilities, is \$95.1M. As previously mentioned, the Service is proposing a similar strategic financing approach for replacement of existing assets as implemented by the Region. The Service continues to develop a funding strategy to support the Asset Management Plan implemented by the Region. This includes a framework of planning, tracking and control of assets, preventative maintenance to preserve the life span of the asset as well as its disposal when the asset reaches its end of life.

In conclusion, the capital budget and forecast identify the projects and funding sources required to maintain the Service and provide it with equipment and facilities. The 2022 Capital Budget is being presented to the Board for approval of the total expenditures and the initiation of financing. The subsequent 9-year forecast has been updated and submitted to ensure that a plan for continuity of services is maintained.

Alternatives Reviewed

The Service has considered alternative funding strategies that provide for continuity of services within a sustainable funding strategy. Some of the alternative strategies considered but not recommended are as follows:

- 1) Present no long-term capital funding strategy and maintain capital reserve financing at current levels \$2.825M. This strategy is not recommended as it does not support a sustainable asset management plan and is not a cost-effective option because it would continue to place a significant dependency on debt financing.
- 2) Do not use \$500,000 savings from the one salary day budget as a one-time investment to the capital levy reserve. This strategy is not recommended as the Service would be required to defer capital projects submitted for 2022 and 2023 or if asset replacement is critical would require the use of debt financing.

Relationship to Police Service/Board Strategic Priorities

The budget preparation process is conducted in consideration of Regional objectives, with efforts to balance the information requirements of the Region as outlined in the Municipal Act with the accountabilities of the Police Services Board under the Police Services Act.

Relevant Policy Considerations

- By-Law 384-2019 - Financial Reporting, Control and Procurement of Goods and Service
- Police Services Act

Other Pertinent Reports

June 24, 2021 Police Service Board meeting –8.1 Budget Planning –Operating and Capital Budget for the Year 2022.

This report was prepared by Laura Rullo, Manager, Finance, reviewed by Richard Frayne, Superintendent, Corporate Services and recommended by Bill Fordy, Deputy Chief Support Services.



Submitted by:

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Chief of Police

Appendices

Appendix 1	Preliminary 2022 Capital Budget*
Appendix 2	Projected Capital Levy Reserve and Vehicles and Equipment Replacement Reserve Fund Balances*
Appendix 3	Proposed Capital Budget & 9 Forecast Summary*
Appendix 4 (A-I)	Detailed Capital Budget Forecast for the Years: 2023-2031*
Appendix 5 (1-11)	Detailed Capital Budget Business Cases

*Appendices have not met AODA compliance and can be provided in AODA compliant format upon request

APPENDIX 1
Preliminary 2022 Capital Budget
Year:

		2022						
		2021	2022	2022	2022 Capital Financing			
		Forecast for	Program	Capital	Capital	Vehicles & Eq'm Repl.	Debenture	Total
Project No.	Description	2022	Changes	Budget	Levy	Fund	Approvals	2022 Financing
1	Vehicle Replacement	1,500,000	428,000	1,928,000		1,928,000		1,928,000
2	IT & Network Equipment Lifecycle Replacement	800,000	100,000	900,000	900,000			900,000
3	Dive Truck		340,000	340,000			340,000	340,000
4	Rapid Deployment Front Line Equipment		240,000	240,000	240,000			240,000
5	CEW Replacement	75,000	93,000	168,000	168,000			168,000
6	Binocular Night Vision Devices		62,000	62,000	62,000			62,000
7	Collision Scene Mapping Robotic System		45,000	45,000	45,000			45,000
8	Breath Alcohol Tester Instruments		32,400	32,400	32,400			32,400
9	Roadside Screening Devices		29,500	29,500	29,500			29,500
10	Equipment Asset Tracker - Phase 2	150,000	(128,000)	22,000	22,000			22,000
11	Command Post		150,000	150,000		150,000		150,000
	Capital Asset Acquisitions	350,000	(350,000)	-	-			-
	Speed Detection Devices	14,000	(14,000)	-	-			-
	Body Worn Cameras	3,000,000	(3,000,000)	-			-	-
	TOTAL	5,889,000	-1,972,100	3,916,900	1,498,900	2,078,000	340,000	3,916,900
					38.3%	53.1%	8.7%	100.0%

Projected Capital Levy Reserve and Vehicles and Equipment Replacement Reserve Fund Balances

[illegible]

APPENDIX 3

Proposed Capital Budget & 9-Year Forecast:

2022-2031

Year	2021 Forecast	2022 Program Changes	2022 Capital Budget & Forecast	Total Capital Expenditures	Sources of Financing for Capital Budget								
					Capital Levy	%	Vehicles & Equ'm Repl. Res. Fund	%	Debenture Approvals	%	%	Total Financing	%
2022	5,889,000	(1,972,100)	3,916,900	3,916,900	1,498,900	38.3	2,078,000	53.1	340,000	8.7	0.0	3,916,900	100.0
2023	44,314,000	(38,714,000)	5,600,000	9,516,900	2,150,000	38.4	1,950,000	34.8	1,500,000	26.8	0.0	5,600,000	100.0
2024	5,214,000	39,286,000	44,500,000	54,016,900	2,000,000	4.5	1,850,000	4.2	40,650,000	91.3	0.0	44,500,000	100.0
2025	3,614,000	1,786,000	5,400,000	59,416,900	2,300,000	42.6	1,950,000	36.1	1,150,000	21.3	0.0	5,400,000	100.0
Subtotal	59,031,000	385,900	59,416,900		7,948,900	13.4	7,828,000	13.2	43,640,000	73.4	0.0	59,416,900	100.0
2026	3,714,000	1,136,000	4,850,000	64,266,900	2,350,000	48.5	1,850,000	38.1	650,000	13.4	0.0	4,850,000	100.0
2027	3,664,000	1,586,000	5,250,000	69,516,900	2,900,000	55.2	1,950,000	37.1	400,000	7.6	0.0	5,250,000	100.0
2028	3,764,000	1,686,000	5,450,000	74,966,900	3,450,000	63.3	2,000,000	36.7	-	0.0	0.0	5,450,000	100.0
2029	3,864,000	1,836,000	5,700,000	80,666,900	3,700,000	64.9	2,000,000	35.1	-	0.0	0.0	5,700,000	100.0
2030	3,464,000	2,136,000	5,600,000	86,266,900	3,600,000	64.3	2,000,000	35.7	-	0.0	0.0	5,600,000	100.0
2031	8,850,000	-	8,850,000	95,116,900	3,500,000	39.5	2,350,000	26.6	3,000,000	33.9	0.0	8,850,000	100.0
Subtotal	27,320,000	8,380,000	35,700,000		19,500,000	54.6	12,150,000	34.0	4,050,000	11.3	0.0	35,700,000	100.0
Grand Total	86,351,000	8,765,900	95,116,900		27,448,900	28.9	19,978,000	21.0	47,690,000	50.1	0.0	95,116,900	100.0

APPENDIX 4 (A)**Niagara Regional Police Service -Detailed Capital Budget Forecast****Year: 2023**

Project Description	2021 Forecast for 2023	Program Changes	2023 Capital Budget	2023 Capital Financing			
				Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2023 Financing
Vehicles	1,500,000	450,000	1,950,000	-	1,950,000	-	1,950,000
IT & Network Equipment Replacement	950,000	50,000	1,000,000	1,000,000	-	-	1,000,000
NG911		100,000	100,000		-	100,000	100,000
Capital Asset Acquisitions	350,000	650,000	1,000,000	1,000,000			1,000,000
CEW Replacements	1,100,000	(950,000)	150,000	150,000	-		150,000
Speed Detection Devices	14,000	(14,000)	-	-	-	-	-
Body Worn Cameras		1,000,000	1,000,000			1,000,000	1,000,000
Mobile Communications Unit	400,000		400,000	-	-	400,000	400,000
Centralized Facility Model - Phase 2	40,000,000	(40,000,000)	-			-	-
				-			
TOTAL	44,314,000	-38,714,000	5,600,000	2,150,000	1,950,000	1,500,000	5,600,000
				38.4%	34.8%	26.8%	100.0%

APPENDIX 4 (B)
Niagara Regional Police Service -Detailed Capital Budget Forecast
Year: 2024

Project Description	2021 Forecast for 2024	Program Changes	2024 Capital Budget	2024 Capital Financing			
				Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2024 Financing
Vehicles	1,600,000	250,000	1,850,000	-	1,850,000		1,850,000
IT & Network Equipment Replacement	1,000,000	(100,000)	900,000	900,000			900,000
Capital Asset Acquisitions	350,000	600,000	950,000	950,000			950,000
CEW Replacements	1,100,000	(950,000)	150,000	150,000			150,000
Speed Detection Devices	14,000	(14,000)	-	-			-
Remote Controlled Explosive Unit	500,000	(500,000)	-	-			-
Voice Radio System - Mobiles	650,000		650,000			650,000	650,000
Centralized Facility Model - Phase 2		40,000,000	40,000,000			40,000,000	40,000,000
TOTAL	5,214,000	39,286,000	44,500,000	2,000,000	1,850,000	40,650,000	44,500,000
				4.5%	4.2%	91.3%	100.0%

APPENDIX 4 (C)**Niagara Regional Police Service -Detailed Capital Budget Forecast****Year: 2025**

Project Description	2021 Forecast for 2025	Program Changes	2025 Capital Budget	2025 Capital Financing			
				Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2025 Financing
Vehicles	1,600,000	350,000	1,950,000	-	1,950,000	-	1,950,000
IT & Network Equipment Replacement	1,000,000		1,000,000	1,000,000	-	-	1,000,000
Capital Asset Acquisitions	350,000	800,000	1,150,000	1,150,000	-	-	1,150,000
Speed Detection Devices	14,000	(14,000)	-	-	-	-	-
Voice Radio System - Mobiles	650,000		650,000			650,000	650,000
Remote Controlled Explosive Unit		500,000	500,000			500,000	500,000
CEW Replacements		150,000	150,000	150,000			150,000
TOTAL	3,614,000	1,786,000	5,400,000	2,300,000	1,950,000	1,150,000	5,400,000
				42.6%	36.1%	21.3%	100.0%

APPENDIX 4 (D)**Niagara Regional Police Service -Detailed Capital Budget Forecast****Year: 2026**

Project Description	2021 Forecast for 2026	Program Changes	2026 Capital Budget	2026 Capital Financing			
				Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2026 Financing
Vehicles	1,600,000	250,000	1,850,000	-	1,850,000	-	1,850,000
IT & Network Equipment Replacement	1,100,000	-	1,100,000	1,100,000	-	-	1,100,000
Capital Asset Acquisitions	350,000	750,000	1,100,000	1,100,000	-	-	1,100,000
Speed Detection Devices	14,000	(14,000)	-	-	-	-	-
Voice Radio System -Mobiles	650,000		650,000			650,000	650,000
CEW Replacements		150,000	150,000	150,000			150,000
TOTAL	3,714,000	1,136,000	4,850,000	2,350,000	1,850,000	650,000	4,850,000
				48.5%	38.1%	13.4%	100.0%

APPENDIX 4 (E)
Niagara Regional Police Service -Detailed Capital Budget Forecast
Year:
2027

Project Description	2021 Forecast for 2027	Program Changes	2027 Capital Budget	2027 Capital Financing			
				Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2027 Financing
Vehicles	1,700,000	250,000	1,950,000	-	1,950,000	-	1,950,000
IT & Network Equipment Replacement	1,100,000	200,000	1,300,000	1,300,000	-	-	1,300,000
Capital Asset Acquisitions	350,000	1,150,000	1,500,000	1,500,000	-	-	1,500,000
CEW Replacements	100,000		100,000	100,000	-	-	100,000
Speed Detection Devices	14,000	(14,000)	-	-	-	-	-
Voice Radio System -Portables	400,000		400,000			400,000	400,000
TOTAL	3,664,000	1,586,000	5,250,000	2,900,000	1,950,000	400,000	5,250,000
				55.2%	37.1%	7.6%	100.0%

APPENDIX 4 (F)**Niagara Regional Police Service -Detailed Capital Budget Forecast****Year: 2028**

Project Description	2021 Forecast for 2028	Program Changes	2028 Capital Budget	2028 Capital Financing			
				Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2028 Financing
Vehicles	1,800,000	200,000	2,000,000	-	2,000,000	-	2,000,000
IT & Network Equipment Replacement	1,100,000	600,000	1,700,000	1,700,000	-	-	1,700,000
Capital Asset Acquisitions	350,000	900,000	1,250,000	1,250,000	-	-	1,250,000
CEW Replacements	100,000		100,000	100,000	-	-	100,000
Speed Detection Devices	14,000	(14,000)	-	-	-	-	-
Voice Radio System -Portables	400,000		400,000	400,000			400,000
TOTAL	3,764,000	1,686,000	5,450,000	3,450,000	2,000,000	-	5,450,000
				63.3%	36.7%	0.0%	100.0%

APPENDIX 4 (G)
Niagara Regional Police Service -Detailed Capital Budget Forecast
Year:
2029

Project Description	2021 Forecast for 2029	Program Changes	2029 Capital Budget	2029 Capital Financing			
				Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2029 Financing
Vehicles	1,800,000	200,000	2,000,000	-	2,000,000	-	2,000,000
IT & Network Equipment Replacement	1,100,000	500,000	1,600,000	1,600,000	-	-	1,600,000
Capital Asset Acquisitions	350,000	1,150,000	1,500,000	1,500,000	-	-	1,500,000
CEW Replacements	200,000		200,000	200,000	-	-	200,000
Speed Detection Devices	14,000	(14,000)	-	-	-	-	-
Voice Radio System -Portables	400,000		400,000	400,000			400,000
TOTAL	3,864,000	1,836,000	5,700,000	3,700,000	2,000,000	-	5,700,000
				64.9%	35.1%	0.0%	100.0%

APPENDIX 4 (H)**Niagara Regional Police Service -Detailed Capital Budget Forecast****Year: 2030**

Project Description	2021 Forecast for 2030	Program Changes	2030 Capital Budget	2030 Capital Financing			
				Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2030 Financing
Vehicles	1,800,000	200,000	2,000,000	-	2,000,000		2,000,000
IT & Network Equipment Replacement	1,100,000	500,000	1,600,000	1,600,000			1,600,000
Capital Asset Acquisitions	350,000	1,150,000	1,500,000	1,500,000			1,500,000
CEW Replacements	200,000		200,000	200,000			200,000
Speed Detection Devices	14,000	(14,000)	-	-			-
Explosive Tactical Robot		300,000	300,000	300,000			300,000
TOTAL	3,464,000	2,136,000	5,600,000	3,600,000	2,000,000	-	5,600,000
				64.3%	35.7%	0.0%	100.0%

APPENDIX 4 (I)

Niagara Regional Police Service -Detailed Capital Budget Forecast

Year: 2031

Project Description	2031 Capital Budget	2031 Capital Financing			
		Capital Levy	Vehicles & Eq'm Repl. Fund	Debenture Approvals	Total 2031 Financing
Vehicles	1,850,000	-	1,850,000	-	1,850,000
IT & Network Equipment Replacement	1,700,000	1,700,000	-	-	1,700,000
P25 System Upgrade	3,000,000			3,000,000	3,000,000
Capital Asset Acquisitions	1,600,000	1,600,000	-	-	1,600,000
CEW Replacements	200,000	200,000	-	-	200,000
Marine Vessel	500,000		500,000		500,000
					-
TOTAL	8,850,000	3,500,000	2,350,000	3,000,000	8,850,000
		39.5%	26.6%	33.9%	100.0%

APPENDIX 5(1): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Vehicle Replacement
DEPARTMENT NAME: FLEET
ASSET DESCRIPTION: Fleet pool consists of 141 Patrol vehicles, 26 administrative vehicles, 123 investigative class, 72 specialty and 8 utility class vehicles. The life cycle of these vehicles varies from 5 to 15 years. In addition, the Service operates several other specialty items such as motorcycles and watercraft vessels. The life cycle on these items is greater than 15 years. The vehicles and specialty units are outfitted with specialized equipment for emergency response that form part of the asset.
REASON FOR REQUEST: The vehicle replacement program takes into consideration the age of the vehicle, odometer readings, overall condition and intended/projected applications of the asset to ensure overall safety and effective guardianship of the asset. Appropriate and deliberate considerations provide a vehicle replacement succession which allows for effective mechanical and operating conditions of the Service fleet pool in order to minimize repair costs and associated downtime and maximize vehicle reliability. By virtue of their duties, patrol vehicles are operated in harsh conditions, often 24 hours a day/7 day a week. As an emergency service, vehicle reliability and availability are important factors and must be secured through appropriate vehicle replacement. This year, the capital project will include a replacement of the inflatable sponson on the exterior of the hull of the Service's 22-foot Titan rigid hull inflatable boat. The purpose of the sponson on this type of vessel is to provide reserve buoyancy and stability during rough and adverse weather conditions on the Great Lakes. The current sponsons are showing signs of moderate to advanced wear at critical pressure points. The attachment straps at the rear of the hull are stretched and wearing through the Hypalon material. This could allow the sponson to flex to the point where the straps could snap, allowing the vessel to list side to side at dangerous angles not permitted by the original design performance limits. The identified asset benefits include: <ul style="list-style-type: none">• An annual replacement strategy ensures continuity of service is maintained while reducing fluctuations to the Operating budget which funds the fleet pool. The risk identified with not approving the asset include: <ul style="list-style-type: none">• Incurring substantial repair costs due to the harsh conditions patrol cars endure.• No sustainable asset replacement plan would impact the financing options available to fund the replacement costs and dependency on debt financing to fill the funding gap.

PROJECT CAPITAL EXPENDITURES:				
	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Total	\$1,928,000	\$1,950,000	\$1,850,000	\$1,950,000
FUNDED BY: Vehicle Reserve Fund				

OPERATING BUDGET IMPACT:

The cost of preventative maintenance and repair and minor vehicle supply costs is included in the Operating Budget.

APPENDIX 5(2): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: IT and Network Equipment Lifecycle Replacement
DEPARTMENT NAME: Technology Service
ASSET DESCRIPTION: IT assets include computing equipment such as PCs, laptops, servers, disk storage, telecommunications including portable radio system and infrastructure, CCTV cameras, network appliances, mobile appliances, facility audiovisual equipment, vehicle mobile dispatch hardware and many software solutions for police operations and administrative services. Lifecycle of most IT assets span 5-7 years.
REASON FOR REQUEST: <p>This Capital Project provides funding strategy to replace assets - as deemed operationally and technologically necessary – computing equipment such as PCs, Laptops, Servers (Physical/Virtual), Enterprise Disk Storage, Telecommunications devices (fixed & Mobile), CCTV, network appliances, etc. Support modernization of technology service-delivery processes by updating operationally essential services reaching the end of their useful life and maintaining adequate 24/7 access to the NRPS network and services. Furthermore, support the enablement of new initiatives as included in Strategic Plans once approved for implementation to enhance technology, operational business continuity, and staffing efficiencies in a comprehensive and integrated fashion.</p> <p>Scheduled replacement for 2022 includes enterprise storage server, desktops, laptops and monitors, mobile modems and firewall appliances.</p> <p>The identified asset benefits include:</p> <ul style="list-style-type: none">• An annual replacement strategy ensures continuity of service is maintained while reducing fluctuations to the Operating budget which funds the IT equipment replacement. <p>The risk identified with not approving the asset include:</p> <ul style="list-style-type: none">• No sustainable asset replacement plan would impact the financing options available to fund the replacement costs and dependency on debt financing to fill the funding gap.

PROJECT CAPITAL EXPENDITURES:				
	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Total	\$900,000	\$1,000,000	\$900,000	\$1,000,000
FUNDED BY: Capital Levy Reserve				

OPERATING BUDGET IMPACT:

There is no significant impact to the operating budget with this replacement strategy. All software licensing and annual maintenance agreements are budgeted within the operating budget.

APPENDIX 5(3): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Dive Truck
DEPARTMENT NAME: Underwater Search and Recovery Unit (USRU)
ASSET DESCRIPTION: The Dive Truck is used to transport specialized equipment for the USRU team including cameras and sonar used for aquatic environment related calls. The truck functions as the command and communication center and working space at incidents providing a location to conduct briefings away from the public. It can quickly become the home for an 8-member team for several days at a time and is often used in extreme environmental conditions for extended periods of time.
REASON FOR REQUEST: <p>The truck was manufactured in 2006 and is showing wear and tear through mechanical breakdowns and lacking the ability to meet the very specific needs of a highly technical unit. The current truck is unable to carry all the team's equipment due to the weight capacity limits of the chassis. With minimal equipment on the current truck the weight capacity limit is reached without addition of any other required equipment. With the truck operating at the capacity limit on a continual basis this results in increased wear on the vehicle components, such as suspension and breaks. When all required equipment is loaded onto the current vehicle the capacity limit is exceeded by nearly 2000lbs. To mitigate this an old ATV trailer and fleet truck which were both taken out of service and slated for auction due to age and condition were temporarily acquired. This now makes five trucks and a trailer required at a site which can be a logistical issue due to available manpower. By using the trailer and additional trucks response times to incidents have increased due to the need to load equipment that could have been stored on suitable primary truck.</p> <p>In addition to the purchase of a utility vehicle with the required weight capacity, the construction of a custom box, a portable generator, a high-pressure air compressor and new dive control system are also included in the capital project.</p> <p>The current dive truck contains three motor systems (Main truck motor, generator motor, and compressor motor). This results in up to three diesel motors running at the same time. Thus, creating an increased amount of exhaust. With the new truck the design plan is to eliminate the need for diesel generator and compressor motors using a power take-off system (PTO). A PTO unit would run off the main truck motor to power the electrical generator which in turn would provide the power to a new electrical compressor. This reduces the amount of exhaust emissions and risk of contamination in the diver's air supply.</p> <p>By purchasing a new generator which is powered by the PTO system issues related to exhaust and weight will be addressed. The new generator would be required to provide enough power to run the new electrically powered compressor. The current generator is not suitable for providing enough power to operate an electric compressor. The generator is built into the truck body and would need to be replaced at the same time to address issues of mounting and wiring.</p> <p>The current diesel-powered compressor is 14 years old and nearing the recommended overhaul. It requires an officer to stay with it and drain condensation collectors every 10 to 15 minutes. This results in inefficient use of an officer's time. A new unit would provide for more efficiency in officer's time using "auto" drains. This system does not require an officer to remain with the system to manual perform the drain function. It also would be able to provide air faster for fills and to the diver by being a higher rated compressor system. Due to custom construction of the truck body the change in</p>

APPENDIX 5(3): CAPITAL PROJECT BUSINESS CASE

compressor system needs to be conducted at the same time to address issues of wiring, air supply, and mounting related to the install.

OHSA O. Reg 629/94 (Diving Operations) and CSA Diving Standards require that whenever a diver is in the water there is a standby (safety) diver prepared to assist in an emergency. If the diving location requires that the diver enter a confined space or overhead environment that a second diver be in the water to act as a “in-water” tender. In this case a third diver must be dressed to act as the standby (safety) diver. With the current surface supplied air control plane only two divers can be supported. This requires a second panel to be setup which increases space required and equipment needs. A new three diver panel would provide support for three divers without the need of a second panel being setup. The design of the three-diver panel also increases the safety provided to a diver in the event of a panel failure by having independent air supply and control system for each diver. Due to the panel design and hose routing required the purchase of this equipment at the same time as the truck allows for fabrication into the truck body.

Most items will be transferable from the current truck to the new asset. These include items such as the high-pressure air banks, fill station, and specialized diving equipment. Anticipated timeframe from the issuance of a Request for Proposal (RFP), award contract, construct and retrofit equipment is anticipated to be 12 to 18 months (Summer of 2023).

The identified asset benefits include:

- Asset will comply with road safety and occupational health and safety regulations related to necessary equipment required to support divers.

The risk identified with not approving the asset include:

- Multiple vehicle assets will be required to support the equipment required for an aquatic environment related call.
- Impact to response time.

PROJECT CAPITAL EXPENDITURES:

	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Total	\$340,000			
FUNDED BY: Debt				

OPERATING BUDGET IMPACT:

There is no significant impact to operating budget.

APPENDIX 5(4): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Response to Active Attacker Incidents - Front-Line Equipment
DEPARTMENT NAME: District Operations
ASSET DESCRIPTION: A bulk purchase of 160 Hard Body protective armour and breaching tools to be equipped to front line officers for use in response to active attacker incidents. Hard body armour is designed to provide a level of protection against high-powered firearms. Breaching Tools are required to assist in providing officers with expedited access to locked or barricaded doors.
REASON FOR REQUEST: The purpose of this new asset is to provide a level of protection against high-powered firearms, capable of discharging high-velocity projectiles, which the current soft body armour does not provide. Members in Immediate Rapid Deployment roles will be afforded an enhanced level of protection, decreasing the potential for loss of life or grievous bodily harm, and increasing operational effectiveness in response to firearm-related violent events. It is anticipated that this will be required to be compliant with "Response to Active Attacker Incidents" Regulation. In addition to the hard body protective armour called for in the draft regulation, every motor vehicle that is being used by police officers performing patrol function must contain a breaching tool. There will be an initial bulk purchase of 160 hard body armour and breaching tools to equip each patrol vehicle. The identified asset benefits include: <ul style="list-style-type: none">• Enhances officer safety to respond to firearm-related violent events• Enhance community safety preparedness The risk identified with not approving the asset include: <ul style="list-style-type: none">• Front line officers not equipped with protective gear will require alternative tactics to minimize exposure to potential firearm-related violence. This type of approach has the potential to negatively impact public safety.• Failure to meet Immediate Rapid Deployment Regulation

PROJECT CAPITAL EXPENDITURES:				
	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Equipment	\$240,000			
Other: Trade In				
Total	\$240,000			
FUNDED BY: Capital Levy Reserve				

OPERATING BUDGET IMPACT:

No immediate impact however any future replacement of this equipment will be administered within the uniform and minor equipment operating budget accounts.

APPENDIX 5(5): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: CEW Replacement
DEPARTMENT NAME: Training Unit
ASSET DESCRIPTION: A Conductive Energy Weapon (CEW) functions by applying electrical impulses to the receiver, causing involuntary muscle contractions and temporary immobilization.
<p>REASON FOR REQUEST: The Service currently deploys 271 Taser X26P CEWs, in a pooled program. This project intends to replace all 271 units of the aging X26P model with the upgraded Taser 7. Originally purchased in 2014, the X26P provided suitable intermediate weaponry for frontline deployment. A regular monitoring and maintenance program, administered by the Training Unit, has identified that the X26P model experiences an increased fail rate in the 3-to-5-year service range, requiring replacement. Of the 271 units, in 2021 only 62 are under warranty, and in 2023 only 37 will be under warranty.</p> <p>In the fall of 2020, the Ministry of the Solicitor General approved the Taser 7 CEW platform for use by Ontario police services. A Service-wide transition to the Taser 7 will ensure uniformity of training, deployment and maintenance across one CEW platform, without any unnecessary confusion which may be created by an incremental upgrade, along with the burden of maintaining multiple systems.</p> <p>This project seeks to secure capital funding to transition the Service from the Taser model X26P to Taser 7 by the beginning of 2023. With the introduction of the Taser 7 platform, it is increasingly likely that the existing X26P will be marked for discontinuance by the manufacturer. Once this end-of-life date is announced, X26Ps will only be available to purchase for an additional six months.</p> <p>The total cost to migrate the Service to Taser 7s is estimated to be \$983,000 excluding HST. The capital cost component is estimated to be \$818,000 and the operating component is \$165,000. The manufacturer has offered a buy-back incentive for current models which will reduce the initial cost. In addition, the manufacturer has offered a five-year payment plan which will enable the Service to finance this transition to the newer model with the use of reserve funds. The five-year payment plan is outlined below.</p> <p>The identified asset benefits include:</p> <ul style="list-style-type: none"> Taser 7 delivers a number of technological advancements which enhance officer safety, ease of handling, digital evidence management, and deployment effectiveness. <p>The risk identified with not approving the asset include:</p> <ul style="list-style-type: none"> Significant costs to maintain existing complement of tasers due to warranty expiration

PROJECT CAPITAL EXPENDITURES:					
	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)	Year 5 (2026)
Equipment	\$218,000	\$150,000	\$150,000	\$150,000	\$150,000
Other: Trade In	(50,000)				
Total	\$168,000	\$150,000	\$150,000	\$150,000	\$150,000
FUNDED BY: Capital Levy Reserve					

OPERATING BUDGET IMPACT:

Additional operating costs of approximately \$30,000 for software licensing and warranties. The cost of cartridges are already accounted for in the base budget.

APPENDIX 5(6): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Binocular Night Vision Devices
DEPARTMENT NAME: Emergency Task Unit
ASSET DESCRIPTION: Binocular Night Vision Devices for increased officer safety when working in low-light, inclement weather, rough terrain or nighttime conditions.
REASON FOR REQUEST: The Emergency Task Unit currently has fourteen night vision devices. Three devices came into service in 2017, two devices in 2016, three devices 2015, two devices in 2013, one device with an unknown age and three devices that do not function and cannot be repaired. Manufacturer recommendations indicate that a night vision device should operate seven years before requiring replacement. Newer models utilize improved internal components over existing inventory, including a higher Figure or Merit rating, use of a white phosphor screen (in lieu of green phosphor), auto-gating technology, increased spatial awareness and reduced eye fatigue. The Service has developed a replacement plan that will replace four units per year starting in 2021 to 2024. The identified asset benefits include: <ul style="list-style-type: none">• Replacing aging, unrepairable technology with improved state-of-the-art functionality• Enhanced officer safety when conducting a number of mandated tasks where the use of white light would otherwise jeopardize officer safety and the safety of others The risk identified with not approving the asset include: <ul style="list-style-type: none">• Parts are no longer available for units which break or stop functioning• Current inventory of night vision devices cannot be replaced in the event of unit failure

PROJECT CAPITAL EXPENDITURES:				
	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Equipment	\$62,000	\$64,000	\$66,000	
Consulting				
Other: Trade In				
Total	\$62,000	\$64,000	\$66,000	
FUNDED BY: Capital Levy Reserve				

OPERATING BUDGET IMPACT:

No additional annual costs are projected

APPENDIX 5(7): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Collision Scene Mapping & Data Collector System
DEPARTMENT NAME: Traffic Reconstruction Unit (TRU)
ASSET DESCRIPTION: A Theodolite is a precision optical instrument for measuring angles between designated visible points in the horizontal and vertical planes used to forensically map a collision scene. Data collector tablets communicate with the Theodolite via Bluetooth and are used to record the evidence collected by the Theodolite, which is then downloaded from the data collector to render a precision map of the collision scene and evidence to allow for mathematical calculations of speed.
REASON FOR REQUEST: <p>This is a request for the addition of a new, upgraded Robotic Theodolite and one new data collector tablet. The second data collector is forecasted to be replaced in 2023.</p> <p>TRU currently has one functional robotic Theodolite which has reached its mid/late operational life and requires annual maintenance which removes it from service for a minimum period of two weeks. There are two data collector tablets that are 6 years old and are no longer manufactured or supported. TRU currently has 2 conventional Theodolites which are obsolete and are not suitable to support complex collision scene examinations.</p> <p>The new Theodolite will replace the Unit's obsolete conventional Theodolites enabling the TRU to process multiple scenes simultaneously and ensure that an operational Theodolite is always in service to process collision scenes. The request also includes the replacement of 2 existing obsolete data collectors over the next 2 years.</p> <p>The identified asset benefits include:</p> <ul style="list-style-type: none">• Ensures continuity for service delivery• Cost effective <p>The risk identified with not approving the asset include:</p> <ul style="list-style-type: none">• Failure of the current TRU Theodolite would require procuring the services of the OPP or neighboring Service at a high cost to investigate a life threatening or fatal collision• Data collectors are at their end of life, and if they fail the Unit will be required to rent tablets which would be costly and may require training if unit is unfamiliar to the user.

PROJECT CAPITAL EXPENDITURE				
	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Equipment	\$48,000	\$7,300		
Consulting				
Other: Trade In	(3,000)			
Total	\$45,000	\$7,300		
FUNDED BY: Capital Levy Reserve				

OPERATING BUDGET IMPACT:

There is no significant impact to operating budget.

APPENDIX 5(8): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Breath Alcohol Tester Instruments
DEPARTMENT NAME: Traffic Enforcement Unit
ASSET DESCRIPTION: A breathalyzer instrument measures how much alcohol is in the air you breathe out. The device uses that measurement to estimate how much alcohol is in your blood.
REASON FOR REQUEST: The Service currently utilizes three instruments to conduct breath tests on suspected impaired motorists. These units are fourteen years old, obsolete with parts for repair extremely difficult to locate while also expensive. The Service has been utilizing parts from two broken instruments to sustain the three operational instruments. The Service is requesting the replacement of three units in 2022 and a fourth to be acquired in 2023. The identified asset benefits include: <ul style="list-style-type: none">• Replacing obsolete technology with improved state-of-the-art functionality The risk identified with not approving the asset include: <ul style="list-style-type: none">• High probability the current instruments could fail at any time due to age• Serious implications for prosecution if Service is unable to conduct timely alcohol testing

PROJECT CAPITAL EXPENDITURES:				
	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Equipment	\$32,400	\$10,800		
Consulting				
Other: Trade In				
Total	\$32,400	\$10,800		
FUNDED BY: Capital Levy Reserve				

OPERATING BUDGET IMPACT:

Annual maintenance costs are included in the Operating Budget.

APPENDIX 5(9): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Roadside Screening Devices
DEPARTMENT NAME: Traffic Enforcement Unit
ASSET DESCRIPTION: Roadside screening devices is designed to measure a person's blood alcohol content or concentration by sampling a drivers breath.
REASON FOR REQUEST: The Service currently utilizes fifty-four roadside breathalyzers to conduct roadside driver screenings. These units are approximately eight years old and have a recommended useful life of six to eight years. Due to discontinuance by the manufacturer these units are now obsolete making repair extremely difficult or impossible. When repair is possible, costs exceed the value of the instrument. Accordingly, units are removed from service when broken and no longer available for deployment. The Service is requesting the purchase of 45 units in 2022 at a unit price of approximately \$650 to replace the compliment of existing roadside screening devices. The identified asset benefits include: <ul style="list-style-type: none">• Replacing aging, obsolete technology with improved state-of-the-art functionality• Traffic Enforcement Unit to provide training on new units with no additional cost The risk identified with not approving the asset include: <ul style="list-style-type: none">• Potential to be noncompliant with legislation that a roadside screening device be with an officer• As current units fail, they are taken out of service and no longer available for deployment

PROJECT CAPITAL EXPENDITURES:				
	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Equipment	\$29,500			
Consulting				
Other: Trade In				
Total	\$29,500			
FUNDED BY: Capital Levy Reserve				

OPERATING BUDGET IMPACT:

Annual maintenance costs are included in the Operating Budget.

APPENDIX 5(10): CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Equipment Asset Tracker

DEPARTMENT NAME: Quartermaster

ASSET DESCRIPTION: Phase II of the implementation of the Asset Tracking Solution. This phase of the project will allow for the Asset Tracker platform to be installed at seven additional Service locations.

REASON FOR REQUEST:

The NRPS possesses a significant inventory of deployed fixed, transitory and daily-issued high-risk assets. This request is for Phase II of the asset tracker implementation which will see the platform expanded to the seven additional Service locations. In 2020, the Board approved a \$150,000 capital project to pilot an Asset Tracker solution. This pilot project was a proof of concept initiative based on an implementation at one initial location 2 District. Assets for tracking upon implementation will include high-risk items including portable radios, controlled energy weapons (CEW's), roadside screening devices, cameras, speed tracking devices and C8 rifles. Optional considerations include cell phones, specialized equipment (ATV/Bike/Motorcycle) and supplies with expiration dates such as body armour, Narcan and OC Spray

To initiate the proof of concept pilot, the Service conducted a formal request for proposal (RFP) based on a two-phase implementation. If Phase I of the project is deemed successful, Phase II will expand the project to include the seven remaining Service locations. During the RFP process, the bidders were required to quote on the two phases separately. All submissions included pricing with both capital and operating components. The Pilot project Phase I capital cost for the successful bidder was \$31,500 with an operating component of \$21,000 each year of a five-year contract term. For a total Phase I project cost of \$136,500 excl of HST.

Further, the successful bidder supplied costs for Phase II (if Phase I succeeds) at \$136,000 capital costs with an operating component of \$100,500 each year for a four-years contract. This is to implement the solution to an additional 7 locations for a total Phase II project cost of \$538,000 excl of HST. The capital costs include the hardware and any one-time implementation costs whereas the operating costs include software licensing, maintenance agreements and consumable supplies. Therefore, the total capital portion of Phase I and II is \$167,500 plus HST which results in a shortfall in the original capital project submitted in 2020.

This capital budget request is to fund the remaining capital cost for Phase II plus HST contingent on the successful results of Phase I.

The identified asset benefits include:

- Automated system of tracking assets and related details including warranty, maintenance records and expiration dates
- Flexibility of the platform to allow for tracking of an infinite quantity of items.

The risk identified with not approving the asset include:

- Potential for missing high-risk assets to go unnoticed in a timely manner
- Decreased efficiencies due to manual processes and personnel time requirements

APPENDIX 5(10): CAPITAL PROJECT BUSINESS CASE

PROJECT CAPITAL EXPENDITURES:

	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Equipment	\$22,000			
Consulting				
Other: Trade In				
Total	\$22,000			
FUNDED BY: Capital Levy Reserve				

OPERATING BUDGET IMPACT:

For the 2022 budget year, the Phase I operating cost for 1 location is \$21,000. In conjunction with Phase I, annual operating budget impact will be \$123,590 for years 2023 – 2026 for the solution implemented in 8 locations.

Appendix 5(11): 2022 CAPITAL PROJECT BUSINESS CASE

PROJECT NAME: Mobile Command Post

DEPARTMENT NAME: Emergency Task Unit

ASSET DESCRIPTION: Mobile Command vehicles are deployed for a number of emergency situations such as major incidents, search and rescue, as well as high-risk threats where space for police negotiation is required. To achieve Adequacy Standards for Major Incidents, our Police Service must have a mobile command center that is self-sufficient, capable of prolonged housing of a minimum of six persons, radio and video media monitoring capabilities, data lines and dedicated phone lines, as well as a separate and secure area for negotiation teams. A mobile command post is critical for supporting the command triangle team when dealing with high risk emergency threat.

REASON FOR REQUEST:

During the 2020 Capital Budget, the Service submitted a capital project to purchase a new mobile command post designed to provide enhanced vehicle maneuvering capabilities, greater working spaces and state of the art audio and video recording capabilities. This vehicle is used during crisis negotiations to improve response time for the emergency tactical unit as well as enhance the efficiencies of managing high risk situations. The current Command post was manufactured in 2006 and is past its useful life. It requires a specialty vehicle with class G licensed operator to tow the command post to the incident. There are limited members of the Service with a class G license and therefore overtime is incurred when the Command post is deployed. Further, it is difficult to maneuver in narrow streets especially when vehicles are parked on the road.

This project was approved by the Board for \$450,000 financed by debt. As is the case with large customized utility vehicles, the Service commenced a request for proposal (RFP) process to tender the project to a successful bidder however due to COVID-19 pandemic the process was put on hold. This process resumed early in 2021 facilitated by the Region procurement department. After careful evaluation involving the review of 2 proposals it was determined the original cost estimate at \$450,000 in 2019 fell short by \$150,000. This increase can be mostly attributed to higher than expected inflationary costs for vehicle parts and specialized equipment not anticipated in 2019.

According to Board By-Law 384-2019 Financial Reporting, Control and Procurement of Goods and Services 6.3.10 *“Capital projects approved by the Board and Council must be resubmitted by the Chief of Police to the Board and Council in the event that the expenditure requirements for the capital project appear reasonably likely to increase substantially..... where, by reason of a scope change to the service to be rendered by the capital project or otherwise, it appears to be reasonably likely that an increase in the net capital project budget which is greater than the lesser of 10% of the Council approved net project budget or \$150,000 will be required.”*

The additional funds required to purchase this 2020 approved capital project exceeds 10% of the original capital project request and therefore requires Board and Council approval. The Service has proposed the additional funds be issued from the Vehicle Levy Reserve Account to lessen any impact to the Region's debt financing costs.

The identified asset benefits include:

- Achieves adequacy standard requirements for major incidents to provide a self-sufficient mobile command post with radio and communication critical to support a high-risk emergency threat.

Appendix 5(11): 2022 CAPITAL PROJECT BUSINESS CASE

The risk identified with not approving the asset include:

- The purchase of the mobile command post cannot proceed with additional funds approved resulting in the continued use of an asset that has exceeded its useful life and does not adequately meet the needs of the Service.

PROJECT CAPITAL EXPENDITURES:

	Year 1 (2022)	Year 2 (2023)	Year 3 (2024)	Year 4 (2025)
Equipment	\$150,000			
Other:				
Total	\$150,000			

FUNDED BY: Vehicle Levy Reserve Account

OPERATING BUDGET IMPACT:

There is no significant impact to operating budget.

2022 Capital Budget and 9 Year Forecast

Police Service Board Meeting
Thursday July 22, 2021



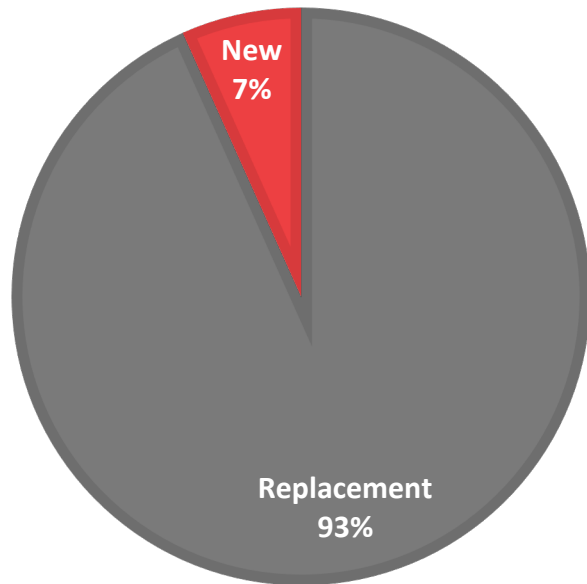
Recommendation:

1. Approve the 2022 Capital Budget in the amount of \$3,916,900
2. Approve the financing sources as follows:
 - \$1,498,900 from Police Capital Levy Reserve
 - \$2,078,000 from Police Vehicles and Equipment Reserve
 - \$340,000 from debenture debt financing
3. Receive the 9 Year Capital forecast as a guideline for the development of future Capital Budgets

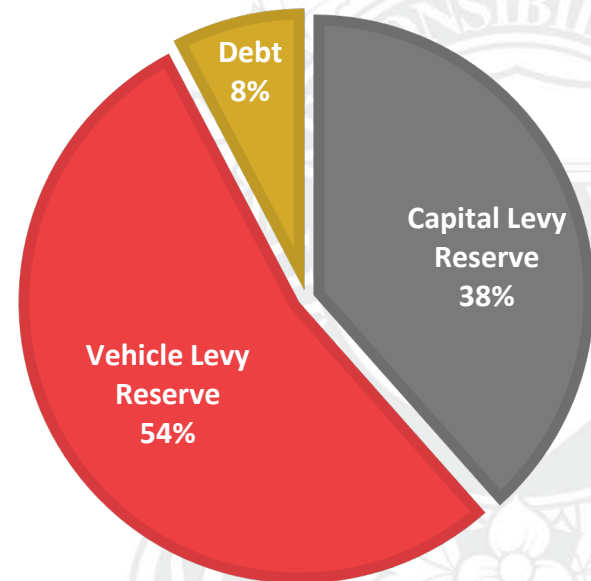
Overview:

- 2022 Capital Budget forecast in 2021 - \$5.9 Million
- Revised 2022 Capital Budget - \$3.9 Million
- A reduction of \$2.0M from 2021 Forecast.

**BY PROJECT CATEGORY
(IN MILLIONS)**



**BY FUNDING TYPE
(IN MILLIONS)**



Asset Replacement List:



Vehicle Replacement; \$1.9M Funded from Vehicle Levy Reserve

Vehicle replacement strategy addresses continuity of service, safety and maintains a manageable vehicle maintenance plan for Fleet.



IT and Network Equipment Lifecycle Replacement; \$0.9M Funded from Capital Levy Reserve

IT and Network infrastructure asset replacement strategy ensures a consistent approach to lifecycle equipment replacement and upgrades.



Dive Truck; \$340,000 Funded from Debt

Used to transport specialized equipment for the Underwater Search and Recovery Unit team including cameras and sonar used for aquatic environment related calls.



Conducted Energy Weapons (CEW) Replacement; \$168,000 Funded from Capital Levy Reserve

Migration to new Taser 7 models which were approved by the Ministry of Solicitor General in the fall of 2020.

Due to the significant cost to replace the entire inventory of CEWs, a five-year payment plan that offers a cost-effective financing using reserve fund alternative to the use of debt financing.

Asset Replacement List Cont'd:



Binocular Night Vision Devices; \$62,000 Funded from Capital Levy Reserve

Asset replacement of 4 of 14 units.

Devices are useful in locating persons at night during missing person searches or rescue operations.



Collision Scene Mapping & Data Collector System \$45,000 Funded from Capital Levy Reserve

A precision optical instrument and data collector to render a precision map of the collision scene and evidence to allow for mathematical calculations of speed.



Breath Alcohol Tester Instruments \$32,400 Funded from Capital Levy Reserve

The replacement of three breathalyzer instruments used to measure blood alcohol levels on suspected impaired drivers.



Roadside Screening Devices \$29,500 Funded from Capital Levy Reserve

The replacement of 45 units used to conduct roadside driver screens of blood alcohol content.



Command Post Additional Financing \$150,000 Funded from Vehicle Levy Reserve

Board approved 2020 project to replace existing Command Post at a project cost of \$450,000 financed by Debt. Recent Request for Proposal (RFP) quotes received indicate the cost to be \$600,000 which exceeds original approved funds. The additional funds are requested from the Vehicle Levy Reserve.

New Equipment:



**Rapid Deployment
Front Line
Equipment; \$240,000**
Funded from Capital
Levy Reserve

- A bulk purchase of 160 hard body protective armour and breaching equipment to be equipped to front line officers for use in first level of response to an active assailant incident.
- This essential equipment is required to meet compliance to the “Response to Active Attacker Incidents” Regulation changes for 2022.

Phase II Asset Tracker Project:



Asset Tracker;
\$22,000 Funded
from Capital Levy
Reserve

- In 2020, the Board approved a \$150,000 capital project for a proof-of-concept pilot to implement an Asset Tracker solution at 2 District referred to as Phase I.
- After a formal Request for Proposal (RFP) the capital portion of the project requires additional funding of \$22,000 to fund the roll-out of Phase II to the remaining 7 locations if Phase I pilot is successful.
- Phase I has two cost components; the capital costs for hardware and one time implementation costs, totaling \$31,500 with an operating component of \$21,000 per annum.
- Phase II (if Phase I successful) will cost a further \$136,000 of hardware and implementation costs with operating costs of \$100,500 per annum for 7 additional locations.

9 Year Capital Forecast Years 2023-2031

Long-term Capital Funding Strategy by 2029:

- Adopt Region Capital Financing Strategy to reduce dependency on Debt financing for replacement assets by 2029.
- Target Operating Budget contributions \$5.6M.
- Current contributions of \$2.8M and therefore Service is facing a funding gap of \$2.8M.
- Strategy -> Increase contributions from Operating Budget by \$320,000 per annum or 0.3% from 2022 to 2029.

9 Year Capital Forecast Excluding Accommodations



- Chart excludes the \$40M for the Facility Master Plan for the new Training Facility, Emergency Service Facility and Fleet/Quartermaster forecasted in 2024.

Capital Financing Strategy 2022-2029

Contributions from the Operating Budget

(in Millions)	2022	2023	2024	2025	2026	2027	2028	2029
Beg Year Capital Reserve Fund Contributions	\$2.825	\$3.885	\$3.705	\$4.025	\$4.345	\$4.665	\$4.985	\$5.305
+ In Year Redirect	0.240							
+ One Time Budget dollars from extra salary day	0.500	(0.500)						
+ New base budget	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.320
End Year Contributions	\$3.885	\$3.705	\$4.025	\$4.345	\$4.665	\$4.985	\$5.305	\$5.625



TARGET

Questions



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