



"PROVIDING INDEPENDENT CIVILIAN OVERSIGHT, GOVERNANCE, AND STRATEGIC LEADERSHIP TO THE VANCOUVER POLICE DEPARTMENT, REFLECTING THE NEEDS, VALUES AND DIVERSITY OF VANCOUVER'S COMMUNITIES."

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November 27<sup>th</sup>, 2017

Members of City Council  
c/o City Clerk's Office  
City of Vancouver  
453 West 12<sup>th</sup> Avenue  
Vancouver, BC V5Y 1V4

Dear City Councilors:

Re: Vancouver Police Department 2018 Provisional Budget

On November 23<sup>rd</sup>, 2017 the Vancouver Police Board considered the 2018 VPD preliminary Operating Budget and Capital Budget submissions and passed the following resolutions:

THAT the Vancouver Police Board (Board) approves the VPD's 2018 operating budget totalling \$284,700,441 for submission to City Council under Section 27(1) of the *Police Act*; and

THAT the Vancouver Police Board (Board) approves the 2018 capital budget totalling \$200,000 for specialized equipment for submission to City Council under Section 27(1) of the *Police Act*.

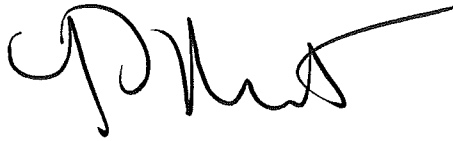
As usual these budget submissions are subject to changes resulting from on-going discussions with the City as part of its budget process and are exclusive of any unknown contractual salary increases that may arise from on-going collective agreement negotiations.

Attached for your information are the Reports to the Board, which set out the details of the 2018 Operating and Capital budgets.

**VANCOUVER POLICE BOARD**

We trust this is in order.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Marfleet', with a long horizontal stroke extending to the right.

Patti Marfleet,  
Executive Director, Vancouver Police Board

Cc: Chief Constable Adam Palmer, Vancouver Police Department  
DCC Steve Rai, Vancouver Police Department  
Mr. Sadhu Johnston, City Manager, City of Vancouver



# VANCOUVER POLICE DEPARTMENT

## REPORT TO THE VANCOUVER POLICE BOARD

REPORT DATE: November 1, 2017  
BOARD MEETING DATE: November 23, 2017  
BOARD REPORT # 1711F04  
*Regular*

TO: Vancouver Police Board  
FROM: DCC Steve Rai, Commanding Support Services Division  
SUBJECT: 2018 Operating Budget

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### RECOMMENDATION:

THAT, the Vancouver Police Board (Board) approves the VPD's 2018 operating budget totalling \$284,700,441 for submission to City Council under Section 27(1) of the Police Act.

### SUMMARY:

The VPD's 2018 operating budget is \$284,700,441, which is an increase of 4.2% or \$11,568,662 from the restated 2017 budget.

The budget increase of \$7,612,547 is mainly for contractual wage obligations, and some adjustments to the non-salary items. As well, the VPD's primary budget focus is to secure funding for additional resources in 2018 as recommended by the Operational Review. The VPD's 2018 budget includes funding of \$3,256,115 related to the Operational Review for the recommended hires of additional sworn and civilian members, as well as \$700,000 for a drug containment facility.

### POLICY:

The Vancouver Police Board (Board) must prepare and submit a budget to provide policing and law enforcement in the municipality.

Section 27 of the Police Act states that:

- (1) On or before November 30 in each year, a municipal police board must prepare and submit to the council for its approval a provisional budget for the following year to provide policing and law enforcement in the municipality.

- (2) Any changes to the provisional budget under subsection (1) must be submitted to council on or before March 1 of the year to which the provisional budget relates.
- (3) If a council does not approve an item in the budget, the director, on application by the council or the municipal board, must
  - (a) Determine whether the item or amount should be included in the budget, and
  - (b) Report the director's findings to the municipal police board, the council and the minister.
- (4) Subject to subsection (3), a council must include in its budget the costs in the provisional budget prepared by the municipal police board.

**DISCUSSION:**

As the complexity and scope in policing continues to evolve, the VPD will continue to face public safety challenges and increased public expectations. To achieve its vision of being, "The safest major city in Canada," and the priorities outlined in the 2017-2021 Strategic Plan, it is essential that the VPD has adequate resources available. For 2018, the VPD's main budget focus is to secure funding for the staffing recommendations from the Operational Review.

The final budget is subject to Council approval.

**2018 VPD Budget (Appendix 1)**

For 2018, the VPD budget totals \$284,700,441, which represents an increase of \$11,568,662 or 4.2% over the 2017 restated budget. This increase represents the following budget changes:

	Budget Increase
Base Budget	\$7,612,547
Operational Review	3,256,115
Drug Containment Facility	700,000
<u>Total Budget Increase</u>	<u>\$11,568,662</u>

The base budget increase of \$7,612,547 is mainly for contractual wage obligations and adjustments to other non-salary items as follows:

- An increase of \$6,608,181 related to salaries and benefits,
- An increase of \$218,829 primarily for fleet, rent and insurance,
- An increase of \$785,537 for City cost allocations.

The 2018 increase in recoveries of approximately \$5.6 million reflects budget adjustments to match more closely with actual recoveries, as well as an increase in the number of secondments working on specific joint force operations. These increases are fully offset by a corresponding increase in the total expenditure budget, resulting in a net zero impact on the budget.

The 2017 budget has been restated to account for one-time items. These restatements include the removal of a one-time transfer from reserve of \$1,880,000 in 2017 to partially offset the salary and benefit costs for hiring additional police recruits with a corresponding decrease to salary and benefit expenditures. So while there is no overall impact on the budget, the 2017 Transfers and Salary budget line items were restated. Additionally, \$100,000 for start up costs

related to the opening of a new community policing center in the Strathcona neighbourhood area was funded in 2017, which will not be included in the 2018 budget.

Of note, the Teamsters collective agreement expired at the end of 2015, and the 2018 budget does not include any provision for collective agreement wage increases. Once the Teamsters union ratifies its agreement, and the Board and Council approve them, the City will transfer any wage adjustments to the VPD's budget.

### Operational Review

The focus for the VPD in 2018 is to secure funding for the recommendations from the Operational Review. The purpose of this research-based review is to determine the long-term staffing and resource requirements for the VPD, as current staffing levels are no longer sustainable. The project involved extensive data analysis as well as consultation with external and internal VPD stakeholders.

The Operational Review addressed service gaps and organizational needs by maximizing, prioritizing and realigning the use of existing resources and positions. As a result, the Operational Review found a number of internal efficiencies that were incorporated in the recommendations supporting an increase to the workforce by 120 police officers, 52 civilian members, and related resources over the next five years.

The implementation of the recommendations from the Operational Review includes 2018 funding of \$3,256,115 for 30 additional police officers and 10 civilian members as outlined below:

- An increase of \$1,936,660 for salaries and benefits,
- An increase of \$809,005 for uniforms, equipment, facilities maintenance, ongoing training, computer supplies, and office furniture,
- An increase of \$468,600 for new capital items such as vehicles, computer systems, and radios that will be purchased on behalf of the VPD by various City departments that centrally manage capital purchases

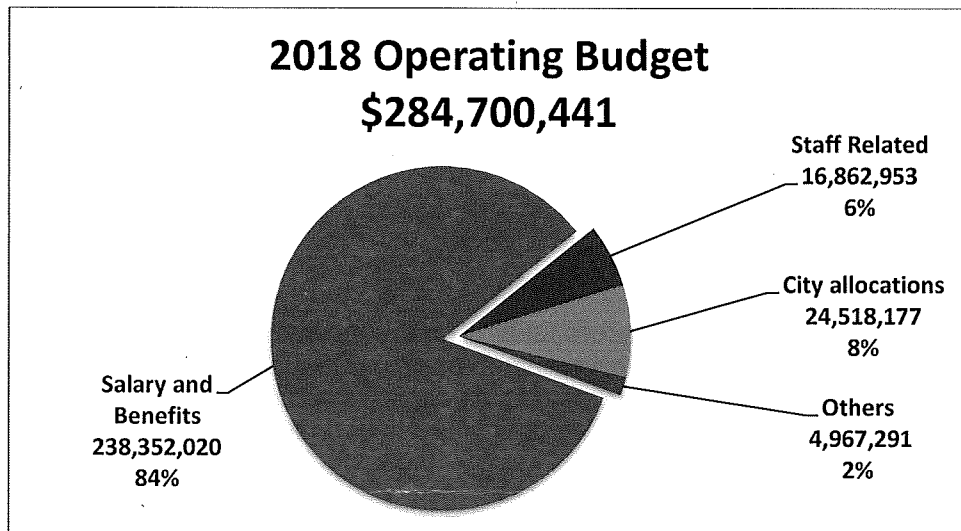
### Drug Containment Facility

Additionally, the VPD is in need of a fully outfitted drug facility for members to handle evidence and/or materials that could be in contact with an opioid. As a result, \$700,000 is included in the 2018 operating budget for the following:

- \$500,000 to design and renovate space within an existing police building
- \$200,000 to purchase equipment, office furniture, and other items required to fully outfit the drug containment facility

### 2018 VPD Budget Composition

As outlined in the chart below, the majority of the VPD budget is salaries and benefits (84%), staff-related expenses (6%), and City cost allocations over which the VPD has no control (8%).



The staff-related cost category includes the following items:

Fleet	\$9,182,760
Uniform, Firearm/Ammunition	2,987,335
Criminal Investigation Fund	2,963,558
Travel & Training	1,729,300
	<u>\$16,862,953</u>

The City cost allocations includes items managed by other City departments, but included in the VPD budget to reflect the true cost of policing, such as costs for communications for Emergency Communications for British Columbia (E-Comm), records management costs related to the Police Records Information Management Environment (PRIME), VPD buildings, radio maintenance, 311, and City Information Technology support.

After excluding wages and benefits, staff-related expenses, and city cost allocations, the VPD's 2018 budget includes 2% for all other expenses, as detailed in the table below:

Community Police Centres	\$1,333,800
Vancouver Jail – medical/nursing	1,287,400
Contracts and consultants	1,103,331
All other budget line items	1,242,760
	<u>\$4,967,291</u>

### Reserves

The City has a reserve policy that outlines the conditions required for creating and using funding from reserves. In 2013, the City created a VPD-specific reserve of \$2,000,000. Subject to the Police Board's and City's approval, the VPD can draw upon this reserve if the costs of policing an unforeseen major incident or large-scale event would cause the VPD to go into deficit for the year. This means that although the 2018 budget does not include a provision for these types of events, such as sporting event playoffs, or large protests, the risk is mitigated up to the total reserve amount.

In addition to major incidents or events, a portion of this VPD-specific reserve is also intended to cover up to \$253,000 of the costs to police the Granville Entertainment District. In 2008, City Council approved a one-time adjustment to provide this funding from surplus, resulting in no increase to the VPD's budget. The City has committed that should VPD be in a year-end deficit position, the deficit will be offset by up to \$253,000 from the VPD's reserve mentioned above and, therefore, there is no budget risk for this item.

### **Funding Commitments from the City**

The 2018 budget for the Canada Pension Plan (CPP), WorkSafe BC, Employment Insurance (EI), and Pension benefits have been prepared using the 2017 rates. The City has provided assurance that the 2018 budget will be adjusted for any rate variances.

In 2016, the Province announced it would limit the amount it contributes for DNA analysis services. As such, these costs are now borne by the VPD and other municipal police agencies, which will result in a cost increase. The City has provided assurance that they will provide funding from the City's contingency fund if this item would put the VPD over budget at year end, which eliminates the risk to the VPD for this item.

### **Other Items**

Statutory Holiday pay is a budget item that fluctuates from year to year depending upon deployment and the day of the week that the statutory holiday falls on. Although funding was provided to account for the VPU collective agreement increase in 2018, similarly to 2017, the increase due to this fluctuation, estimated at \$520,133, is to be absorbed within the existing budget.

As per the Teamsters collective agreement, an employee can apply to have their position reclassified to ensure fair compensation for duties performed. In prior years, the City would fund these civilian reclassifications; however, for 2018, there was a city-wide process change and the estimated increase of \$230,000 is to be absorbed within the existing budget.

As the VPD's budget is comprised largely of salary and benefits (approximately 84%), variances arise from actual to budgeted attrition and other salary variables that will help mitigate the statutory holiday pay and position reclassifications shortfalls (0.3%).

Although, the 2018 budget has increased by 4.2%, similarly to the past few years, there has been no general inflation provision included for expenditure budgets.

The nature of policing is largely reactive. Situations can occur in the community that may negatively affect the budget. Management will continue to prioritise available funding and work with our partners at the City to address unforeseen or emerging items.

### **2019-2022 Outlook**

In the upcoming years, the VPD's workforce will increase by an additional 120 police officers and 52 civilian members by the end of 2022 as a result of the recommendations from the Operational Review.

As the nature of policing continues to expand, the VPD will continue to be cognisant of the emerging challenges and increasing complexity in the community and policing.

Marijuana legalization and the new amendments to the Criminal Code that deal with offences and procedures relating to drug-impaired driving will impact policing efforts. Changes include measures to detect and deter drug-impaired driving by providing training for front-line officers, building law enforcement capacity across the country, access to drug screening devices, developing policy, and raising public awareness about the dangers of drug-impaired driving.

Technological advances present increasing demand for advanced equipment and policing resources due to the rapid increase in the use of smartphones, video surveillance and social media.

Investigative standards will continue to evolve, placing significant demand on policing resources. Additionally, increasing disclosure requirements have increased the amount of time required to conclude files. This includes the time required to prepare documents required by Crown counsel. As well, decisions by other levels of government, courts, coroner's inquests and commissions of inquiry can affect how the VPD uses its resources.

Additionally, global trends and events such as the worldwide extremist threat level, highly technical cybercrime, new illicit drugs, as well as a web of international organized crime and gang activities continue to necessitate additional resources, as well as increasing deployments for large events, protests, and demonstrations.

As outlined in the table below, the VPD's budget is projected to increase by approximately 3.8% in 2019, and averaging 2.2% each year from 2020-2022 to account for general inflation and estimated cost increases related to the Operational Review. This does not take into consideration any provision for salary increases that may result from future collective agreement wage increases for either the Vancouver Police Union or Teamsters.

	2017	2018	2019	2020	2021	2022
Total Budget	\$273.1	\$284.7	\$295.5	\$301.9	\$308.5	\$315.6
Budget Change		\$11.6	\$10.8	\$6.5	\$6.6	\$7.1
% Increase		4.24%	3.78%	2.19%	2.18%	2.29%

**CONCLUSION:**

The VPD's 2018 operating budget is \$284,700,441, subject to final approval by City Council. The Vancouver Police Board support for the recommendation contained in this report is requested.





**Vancouver Police Department  
2018 Operating Budget**

	2018 Proposed Budget	2017 Restated Budget	Change	% Change
<b>RECOVERIES</b>				
Program Fees	\$ (1,603,500)	\$ (1,453,500)	\$ (150,000)	
Parking	(155,300)	(155,300)	0	
Cost Recoveries, Grants & Donation	(21,027,044)	(15,590,543)	(5,436,501)	
Other Recoveries	(207,100)	(207,100)	0	
<b>TOTAL RECOVERIES</b>	<b>\$ (22,992,944)</b>	<b>\$ (17,406,443)</b>	<b>\$ (5,586,501)</b>	<b>32.1%</b>
<b>EXPENDITURES</b>				
Salaries & Benefits <sup>1</sup>	\$ 252,404,866	\$ 238,397,334	\$ 14,007,532	
Building Occupancy & Maintenance	3,169,655	2,833,045	336,610	
Professional Fees	2,873,231	2,854,231	19,000	
Equipment & Fleet	13,677,559	13,221,264	456,295	
Other Expenses	8,244,673	7,962,587	282,086	
Supplies & Materials	2,789,040	2,831,433	(42,393)	
City Allocations	23,477,750	22,738,440	739,309	
<b>TOTAL EXPENDITURES</b>	<b>\$ 306,636,774</b>	<b>\$ 290,838,334</b>	<b>\$ 15,798,440</b>	<b>5.4%</b>
<b>TRANSFERS <sup>2</sup></b>				
Transfers to Reserves	\$ 141,011	\$ 98,700	\$ 42,311	
Transfers from Reserves	915,600	(398,813)	1,314,413	
<b>TOTAL TRANSFERS</b>	<b>\$ 1,056,611</b>	<b>\$ (300,113)</b>	<b>\$ 1,356,724</b>	<b>-452.1%</b>
<b>TOTAL BUDGET, net <sup>3</sup></b>	<b>\$ 284,700,441</b>	<b>\$ 273,131,779</b>	<b>\$ 11,568,662</b>	<b>4.24%</b>

**Note:**

1. The 2018 salaries & benefits do not include any wage provision for the Teamsters collective agreement, which expired on December 31, 2015.
2. Transfers consist of funding that is moved to, or taken from, a city reserve account.
3. The 2017 budget has been restated to reflect one time funding adjustments



# VANCOUVER POLICE DEPARTMENT

## REPORT TO THE VANCOUVER POLICE BOARD

REPORT DATE: November 1, 2017  
BOARD MEETING DATE: November 23, 2017  
BOARD REPORT # 1711F05

*Regular*

TO: Vancouver Police Board  
FROM: DCC Steve Rai, Commanding Support Services Division  
SUBJECT: 2018 Capital Budget

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### RECOMMENDATION:

**THAT**, the Vancouver Police Board (Board) approve the 2018 VPD capital budget totalling \$200,000 for specialized equipment for submission to City Council under Section 27(1) of the Police Act.

### SUMMARY:

For 2018, the VPD has submitted \$0.2 million for specialized equipment for the drug containment facility. Additionally, the VPD in conjunction with the City of Vancouver's (City) Information Technology (IT), Real Estate and Facilities Management (REFM), and Equipment Services (EQS) departments will submit VPD-related capital projects totalling approximately \$6.8 million. Should any other capital requests emerge during 2018, they can be submitted for funding consideration as part of the City's quarterly capital reporting process, as long as the project is of an urgent nature.

### DISCUSSION:

The City's IT, REFM, and EQS departments centrally manage capital purchases on behalf of the VPD. The VPD continues to work jointly with city departments on related projects, with funding from the City's approved 4-year (2015-2018) capital plan, as well as new submissions related to the Operational Review. The Operational Review involved independent consultants that took a comprehensive look of the VPD's operations, recommending additional hires for sworn and civilian members. As a result, capital requests were made to accommodate the new hires. In addition, for 2018, the VPD has submitted a capital request totalling \$0.2 million for specialized equipment.

**IT Capital**

IT projects are submitted centrally and coordinated through the City's Office of the Chief Information Officer. On behalf of the VPD, City IT submitted approximately \$2.6 million of which \$2.5 million is for infrastructure projects and for projects already in progress. Infrastructure related projects are for replacement, expansion and maintenance of existing servers, expansion of current storage capacity, maintaining and replacing data centres, and any network-related hardware upgrades. Additionally, the remaining funding of approximately \$0.1 million is for new IT hardware and software purchase to accommodate new police officers and civilian staff as a result of the Operational Review.

**Facilities related capital**

REFM has put forward approximately \$2.3 million for VPD, of which approximately \$1.8 million is for ongoing renovation projects and facilities maintenance work. Additionally, \$0.5 million was submitted for renovations and designs at an existing police building related to a drug containment facility for the handling of evidence and/or materials that could be in contact with an opioid.

**Fleet**

The VPD's vehicle fleet is managed by the City's EQS department. EQS purchases all the vehicles on behalf of the VPD using funds from the City's Plant and Equipment Reserve, a capital reserve account set up to make these kind of purchases. The City's EQS department submitted approximately \$1.9 million, of which \$1.6 million is allocated for replacement of existing VPD vehicles and \$0.3 million of new funding to increase our existing fleet to accommodate the police officers hired as a result of the Operational Review.

**VPD Managed Capital Submission**

The VPD submitted a request of \$0.2 million for equipment and office furnishings to ensure the drug containment facility is operational and fully outfitted.

Additionally, the VPD continues to work with City's REFM department to identify a suitable location for a purpose-built, centralized police headquarters.

**CONCLUSION:**

The VPD's 2018 capital budget is \$200,000, subject to City Council approval. The Vancouver Police Board support for this recommendation is requested.

Author: Melissa Lee Telephone: 604-717-3025 Date: Nov.1, 2017

Submitting Executive Member: Nancy Eng

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(signature) Date: Nov.1, 2017