



"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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WENDY JOHN, MEMBER

CLAIRE MARSHALL, MEMBER

THOMAS TAM, MEMBER

DR. PETER WONG, MEMBER

November 22<sup>nd</sup>, 2019

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 2020 Operating Budget**

The Vancouver Police Board considered the 2020 VPD Operating Budget submission and passed the following resolutions:

THAT the Vancouver Police Board (Board) approves the VPD's 2020 Operating Budget totalling \$315,278,281 for submission to City Council under Section 27(1) of the *Police Act*; and,

THAT the Vancouver Police Board (Board) recommends that the City of Vancouver pursue further discussion with the Department to ensure stability within the compensation structure for the group of Community Policing Centres. The Board also recommends reviewing a plan with the City of Vancouver in the 2021 budget year for the long term financial stability of the Community Policing Centres.

Section 27 of the *Police Act* states:

*(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.*

## VANCOUVER POLICE BOARD

*(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.*

Attached for your information is the Report to the Board, which sets out the details of the 2020 Operating budget.

We trust this is in order.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephanie Johanssen". The signature is fluid and cursive, with a large loop at the end of the last name.

Stephanie Johanssen  
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, 2019  
BOARD MEETING DATE: November 14, 2019  
BOARD REPORT # 1911F04

*In Camera*

TO: Vancouver Police Board  
FROM: DCC Steve Rai, Commanding Support Services Division  
SUBJECT: 2020 Operating Budget

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### RECOMMENDATION:

**THAT**, the Vancouver Police Board (Board) approves the 2020 VPD operating budget totalling \$315,278,281 for submission to City Council under Section 27(1) of the Police Act for Council approval.

### SUMMARY:

The VPD's 2020 operating budget is \$315,278,281, which is an increase of 4.6% or \$13,782,426 from the 2019 budget.

Included in the VPD's 2020 operating budget is an estimated increase in compensation and benefit expenses arising from negotiated or arbitrated settlements, exempt wage increases and fringe benefit costs for existing staff positions. In previous years, the VPD did not receive a budget for future wage settlements until after collective agreements expired.

In 2017, City Council approved the recommendations of the VPD's Operational Review for an increase of 120 police officers, 52 civilian members, and related resources over five years (2018-2022). The VPD's 2020 budget includes funding for year three of the implementation plan, which includes an increase of 25 police officers and 10 civilian members and related resources. The related budget increase is \$2,398,042, approximately 0.8% from the 2019 budget.

The remaining funding is for salaries and benefits, equipment, fleet, and new increases for DNA services, and Community Policing Centres.

Appendix 1 outlines the budget changes from 2019 to 2020.

**POLICY:**

The Vancouver Police Board (Board) must prepare and submit a budget to provide policing and law enforcement in the municipality. The Vancouver Police Board Finance Committee is to assist in fulfilling the Board's oversight responsibilities.

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:**

During the 2020 budget build process, further consideration was given to City Council's long-term priorities focusing on: (1) delivering quality core services that meet the residents' needs, (2) address affordability and the housing crisis, (3) protect and build our economy, (4) increase focus on diversity and critical social issues, and (5) accelerate action on climate change. The VPD submitted funding requests that align with City council's priorities with the primary focus to achieve the VPD's vision of being, "The safest major city in Canada," and the priorities outlined in the VPD's 2017-2021 Strategic Plan.

With expanding scope and increasing complexity in policing, the VPD will continue to face escalating public safety challenges. The VPD's main budget focus is to secure funding for the staffing recommendations from the 2017 Operational Review.

As further detailed below, the budget is subject to City Council approval.

**2020 Operating Budget (Appendix 1)**

The VPD's 2020 operating budget totals \$315,278,281, which represents an increase of 4.6% or \$13,782,426 from the 2019 budget.

	<b>2020 Budget</b>	<b>Increase</b>	<b>% Increase</b>
Recoveries	(\$25,163,922)	(\$2,242,755)	
Expenditures	\$340,442,203	\$16,025,181	
<b>2020 Net Operating Budget</b>	<b>\$315,278,281</b>	<b>\$13,782,426</b>	<b>4.6%</b>

The 2020 increase in recoveries reflects budget adjustments to match more closely with the 2019 actual recoveries, as well as an increase in the number of secondments working on specific joint force operations. The net increase is fully offset by a corresponding increase in the total expenditure budget, resulting in a net zero impact on the budget.

The 2020 net increase of \$13,782,426 is comprised of the following increases:

- \$9,927,344 for sworn and civilian salaries, benefits, and estimated settlements,
- \$2,398,042 for new hires and related resources for year 3 of the Operational Review,
- \$402,332 for equipment and fleet,
- \$304,707 for City Allocations,
- \$600,000 for DNA Services, and
- \$150,000 for Community Policing Centres (CPC).

Excluded from the increase are 2020 benefit rate adjustments. At the time of this report, the 2020 rates are not yet published and 2019 rates were used. The City has committed to increase the 2020 budget once the rates are released.

The 2020's operating budget includes the following new additions:

Estimated Compensation from negotiated or arbitrated settlements

In previous years, the VPD's budget did not include an increase for compensation and benefit expenses arising from negotiated or arbitrated settlements, exempt wage increases and fringe benefit costs for existing staff positions. Once the various unions ratify the agreements, and the Board and City Council approve them, the City would transfer the additional funding to the VPD's budget to cover the increased contractual agreements; however, due to a citywide budget reporting change, the 2020 budget includes an estimate in the VPD's budget.

Operational Review

Year 3 of the recommendations from the Operational Review calls for an additional 25 police officers, 10 civilian members, and related resources.

DNA Services

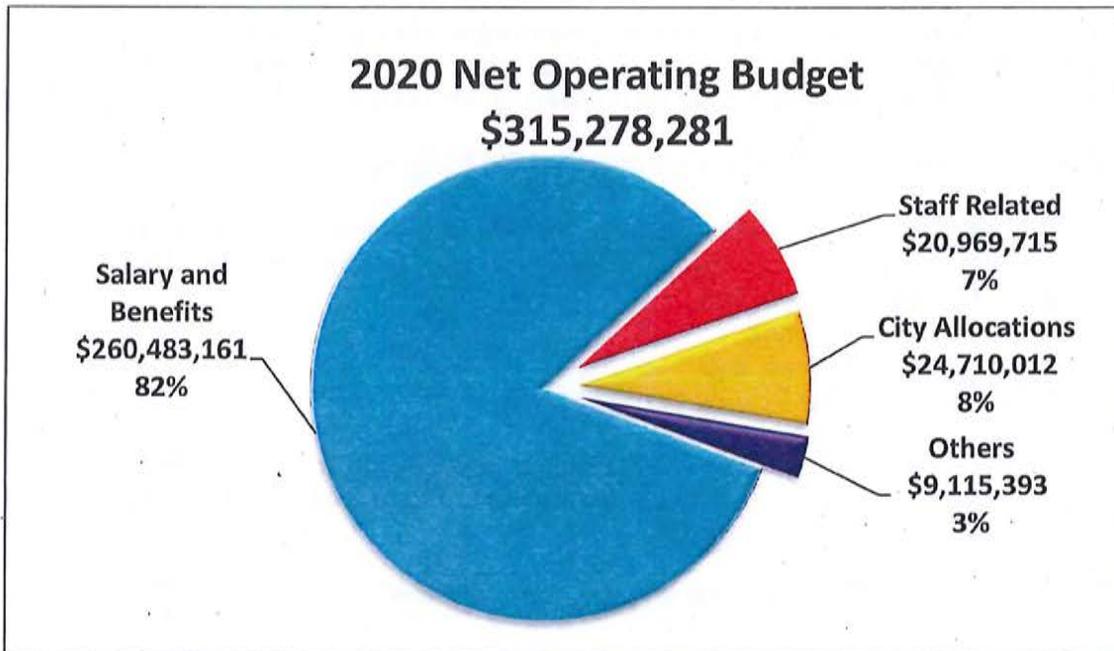
In prior years, funding for DNA services was in a City reserve account and the VPD could access the funds if the costs were to put VPD over budget at year-end. For 2020, this item is included in the VPD's budget and the City has also committed to fund the overage if the actual amount exceeds the allotment, should it put the VPD over budget at year end.

CPCs

The increase is for 11 CPCs to continue to provide various initiatives for crime prevention and addressing neighbourhood crime issues.

**2020 VPD Budget Composition**

As outlined in the chart below, the majority of the VPD budget is salaries and benefits (82%), staff-related expenses (7%), and City allocations over which the VPD has no control (8%).



The staff related cost category includes the following items:

Fleet and Equipment	\$ 12,999,295
Uniform, Firearm/Ammunition	3,064,762
Criminal Investigation Fund	2,963,558
Training	1,942,100
	\$ 20,969,715

City Allocations are items managed by other City departments, but included in the VPD budget to reflect the true cost of policing. This includes costs for items such as, 9-1-1 dispatched call services and the radio network from E-Comm, (Emergency Communications for British Columbia Incorporated), records management costs related to the Police Records Information Management Environment (PRIME - BC), VPD buildings, radio maintenance, 311, and City Information Technology support.

After excluding salaries and benefits, staff-related expenses, and city allocations, the remaining 3% is for all other expenses, for items detailed below:

Community Policing Centers	\$ 1,483,800
Vancouver Jail – medical/nursing	1,287,400
Contracted Services	1,869,156
Facilities maintenance & rental agreements	2,732,744
All other budget line items	1,742,293
	\$ 9,115,393

#### Other Items

Although, the 2020 budget has increased, similarly to the past few years, there has been minimal general inflation provision included for some expenditure budgets.

Since 2018, the VPD, along with other city departments and Boards, will not be funded for civilian position reclassifications. As per the Teamsters agreement, an employee can apply to have their position reclassified to ensure equal and fair compensation for duties performed. Any reclassification is to be funded within the VPD's existing budget. As the VPD's budget is comprised largely of salary and benefits, variances may arise as a result of actual to budgeted attrition and other salary variables. This will help mitigate the position reclassifications shortfalls.

Policing has become more complex and members require relevant training to meet legislated new standards and emerging best practices. Management continues to re-examine, determine the best practices and needs of the VPD, and explore ways to balance the requests within the finite funding. Efficiencies such as to partner, train and cost share with other policing agencies, train the trainer, in-house training, and use of online tools and platforms, help achieve training needs.

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 to maximize efficiencies and work with our partners at the City to address unforeseen or emerging items.

### **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. 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 2020 budget does not include a provision for these types of events, such as sporting event playoffs, or large gatherings, 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 for up to \$253,000 of the costs to police the Granville Entertainment District. The City has committed that should the VPD be in an overall year-end deficit position, the deficit will be offset by up to \$253,000 from the VPD's reserve mentioned above.

### **2021-2024 Outlook**

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.

By the end of 2023, the VPD's workforce will increase by an additional 120 police officers and 52 civilian members as a result of the recommendations from the 2017 Operational Review.

Technological advances and the increase use of artificial intelligence, smartphones, video surveillance and social media have resulted in growing demand for advanced equipment and policing resources.

Cognisant of changes among policing departments, Surrey City Council announced its intention to terminate its policing services contract with the RCMP and establish a Surrey municipal police department. Effective policing in the region is highly dependent on collaboration and cooperation across municipal jurisdictions and police departments. While the creation of another large urban municipal department in the Lower Mainland has significant implications for the

entire region, it may also present opportunities for additional collaboration to further the public safety interests of Vancouver residents.

Employee wellness continues to be particularly important in policing, as members experience high physical and mental demands. The VPD will continue to expand upon its employee wellness initiatives.

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 that must be submitted within a restricted time frame. This includes the time required to prepare documents required by Crown counsel. As well, changes to the criminal code, 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, urban issues such as the downtown eastside, 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 4.6% in 2020, and averaging 3.2% each year from 2021-2024. This includes an estimated increase in compensation and benefit expenses arising from negotiated or arbitrated settlements, exempt wage increases and fringe benefit costs for existing staff positions, the Operational Review, and various rate assumptions made to some non-salary items as projected in the City's 5-year outlook. Of note, the projected annual budgets differ from the City's 2020 Budget and 5-year outlook, as VPD's outlook includes an estimated salary and benefit compensation and an increase for some non-salary items.

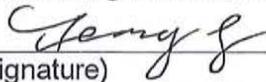
	2019	2020	2021	2022	2023	2024
Total Budget (in millions)	\$301.5	\$315.3	\$326.9	\$339.2	\$349.1	\$357.3
Budget Change (in millions)		\$13.8	\$11.6	\$12.3	\$9.9	\$8.1
% increase		4.6%	3.7%	3.8%	2.9%	2.3%

**CONCLUSION:**

The VPD's 2020 operating budget is \$315,278,281, subject to City Council approval. The Board's approval for the recommendation contained in this report is requested.

Author: Melissa Lee Telephone: 604-717-3025 Date: Nov 1, 2019

Submitting Executive Member: Nancy Eng

  
 (signature)

Date: November 1, 2019

**Vancouver Police Department  
2020 Operating Budget**

	2020 Budget	2019 Budget <sup>1</sup>	Change	% Change
<b>RECOVERIES</b>				
Program Fees	\$ (2,081,000)	\$ (1,853,500)	\$ (227,500)	
Parking	(155,300)	(155,300)	0	
Cost Recoveries, Grants & Donation	(22,720,522)	(20,705,267)	(2,015,255)	
Other Recoveries	(207,100)	(207,100)	0	
<b>TOTAL RECOVERIES</b>	<b>\$ (25,163,922)</b>	<b>\$ (22,921,167)</b>	<b>\$ (2,242,755)</b>	<b>9.8%</b>
<b>EXPENDITURES</b>				
Salaries & Benefits	\$ 281,633,083	\$ 267,790,229	\$ 13,842,854	
Building Occupancy & Maintenance	2,732,744	2,860,229	(127,485)	
Professional Fees	3,639,056	2,958,406	680,650	
Equipment & Fleet	15,372,857	14,818,651	554,206	
Other Expenses	8,742,451	8,470,552	271,899	
Supplies & Materials	3,344,340	3,136,012	208,328	
City Allocations	24,710,012	24,405,294	304,718	
<b>TOTAL EXPENDITURES</b>	<b>\$ 340,174,543</b>	<b>\$ 324,439,373</b>	<b>\$ 15,735,170</b>	<b>4.8%</b>
<b>TRANSFERS<sup>2</sup></b>				
Transfers to Reserves	\$ 126,910	\$ 141,011	\$ (14,101)	
Transfers from Reserves	140,750	(163,362)	304,112	
<b>TOTAL TRANSFERS</b>	<b>\$ 267,660</b>	<b>\$ (22,351)</b>	<b>\$ 290,011</b>	<b>-1297.5%</b>
<b>TOTAL BUDGET, net</b>	<b>\$ 315,278,281</b>	<b>\$ 301,495,855</b>	<b>\$ 13,782,426</b>	<b>4.6%</b>

**Note:**

1. The City's 2020 Budget and 5-Year Plan restated the VPD's 2019 Operating budget to account for one-time costs related to year 2 of the Operational Review.

2. Transfers consist of funding that is moved to, or taken from, a city reserve account