



## COUNCIL REPORT

Report Date: April 15, 2024  
Contact: Colin Knight  
Contact No.: 604-873-7569  
RTS No.: 16278  
VanRIMS No.: 08-2000-20  
Meeting Date: April 24, 2024  
[Submit comments to Council](#)

TO: Standing Committee on City Finance and Services  
FROM: General Manager, Finance Risk & Supply Chain Management  
SUBJECT: Vancouver Police Board Amended 2024 Provisional Budget

### Recommendation

#### Option A:

THAT, pursuant to the submission from the Vancouver Police Board dated February 29, 2024, Council approve an adjustment to the 2024 operating budget previously approved for the Vancouver Police Department to increase the funds allocated for Vancouver Police Board administration and operations by \$393,000. With this increase, the total approved allocation for Vancouver Police Board administration and operations will be \$690,000;

FURTHER THAT Council approve the amended 2024 Vancouver Police Board provisional operating budget of \$442,366,688 in expenditures and transfers and \$30,266,454 in revenues. This amended operating budget represents an increase of \$393,000 relative to the total 2024 net operating budget previously approved by Council in December 2023, to be funded by the City within the City's 2024 Operating Budget.

**OR**

#### Option B:

THAT pursuant to the submission from the Vancouver Police Board dated February 29, 2024, Council approve an adjustment to the 2024 operating budget previously approved for the Vancouver Police Department to increase the funds allocated for Vancouver Police Board administration and operations by \$393,000. With this increase, the total approved allocation for Vancouver Police Board administration and operations will be \$690,000;

FURTHER THAT Council confirm the overall 2024 net operating budget for the Vancouver Police Board as previously approved by Council on December 12, 2023, and

authorize the Vancouver Police Board to reallocate funding within that approved 2024 operating budget to accommodate the proposed increase of \$393,000 for Vancouver Police Board administration and operations.

### **Purpose and Executive Summary**

Under section 27 of the *Police Act*, the Vancouver Police Board (the “Board”) is required to submit a provisional budget to the City by November 30<sup>th</sup>, and the Board may revise the provisional budget up until March 1<sup>st</sup>.

On February 29<sup>th</sup>, 2024, the Board notified the City of proposed amendments to the 2024 provisional operating budget. Council must consider whether to approve the amended Vancouver Police Department (VPD) budget or provide direction to the Board regarding the 2024 budget.

These amendments are largely consistent with the direction provided by Council on December 12<sup>th</sup>, 2023. However, the revised provisional budget proposed in the February 29, 2024 submission includes \$690,000 for Board administration and operations, which is \$393,000 more than the amount approved by Council for this purpose on December 12, 2023.

In the event that Council approves the increase to the allocation for Board administration and operations as requested by the Board, Council will also have to determine the funding source for the additional \$393,000. The Board’s February 29, 2024 submission requests that the City provide additional funds for this purpose. In the alternative, as per the considerations set out above, Council could authorize the Board to reallocate funds within the VPD’s approved 2024 overall operating budget to cover the increased allocation for Board administration and operations.

### **Council Authority/Previous Decisions**

Council approved the 2024 operating budget, including the budget for the Vancouver Police Department, on December 12<sup>th</sup>, 2023.

### **City Manager’s Comments**

The City’s obligation to fund police services and the process for submission and consideration of budget proposals from the Board are set out in the *Police Act*. The *Police Act*, including the dispute resolution scheme over budgeting that provides for involvement of the Director of Police Services, materially constrains the City’s discretion over the policing budget and the February 29, 2024 request.

There is a compelling argument that the Board requires sufficient capacity and resources to fulfill its responsibility for governance for a large, complex police agency. However, in relation to the overall operating budget allocated to the VPD, the proposed increase in funding to support Board administration and operations represents a small proportion of the VPD’s approved operating budget. Based on this, there may be an opportunity for the Board to fund that adjustment within the 2024 operating budget previously approved by Council.

## Context and Background

The budget process requirements for the VPD are governed by the *Police Act* and differ from the budget process for other City departments. Under section 27 of the *Police Act*, the Board is required to approve a provisional budget and submit it to the City by November 30 of each year. Council then must consider the submitted budget and determine the amount to set aside for Police services in the City Budget. If the amount that Council approves differs from the provisional budget approved by the Board, or if the Board otherwise revises its provisional budget, then the Board may amend the provisional budget and provide notification to Council before March 1<sup>st</sup>. Ultimately, if Council does not approve the amount requested in the Board provisional budget, the Board may apply to the Province's director of police services to determine if the amount should be included in the City's budget.

## Discussion

The original VPD provisional budget was submitted to the City on November 27<sup>th</sup> 2023. The provisional budget was for a total expenditure and transfer of \$446 million (\$416 million net, after subtracting revenues of \$30 million). This was a total budget increase of \$36.2 million, which included funding for collective agreement wage increases, fixed costs, funding for additional police officers approved by Council, as well as a list of budget increases summarized in Appendix A.

On December 12<sup>th</sup>, 2023, Council approved most but not all the provisional budget increases submitted by VPD. Council approved an increase of \$32.4 million, which included items from the provisional budget such as jail nursing/medical contract, Jail HVAC/Lighting, additional funding for pilot Body worn camera, Digital Evidence Management system, CPC COLA and Coroner's inquest recommendations but did not include funds for the Board budget realignment, parking and unclaimed cash, protests, and demonstrations overtime, etc. Notably, the VPD provisional budget included \$908,000 for Board administration and operations, of which Council approved a budget of \$297,000.

The revised VPD provisional budget received from the Board on February 29<sup>th</sup>, 2024 was largely consistent with the amounts approved by Council in the 2024 Budget. However, where Council had specified a Board administration budget of \$297,000, the revised provisional budget includes \$690,000. This is a \$393,000 increase (132% increase) relative to the budget approved by Council on December 12<sup>th</sup>, 2023, and would be almost double the 2023 VPD restated Board budget of \$394,000.

A Board administration budget of \$690,000 would be a \$210,000 (23%) reduction from the \$908,000 amount submitted by VPD in the provisional budget. The Board has noted that \$690,000 is an amount that is sufficient for the Board to perform the work expected of them competently and properly, taking into account the views of Council.

The following table outlines the budget for the VPB administration and the total VPB Expenditure budget as noted in the overall City Budget as well as the VPB provisional budget.

	Draft 2024 Budget  Nov 21, 2023	VPB Provisional Budget  Nov 27, 2023	Council Approved 2024 Budget  Dec 12, 2023	VPB Revised Provisional Budget  Feb 29, 2024	Net Change \$ Council Approved vs VPB Revised Provisional Apr 09, 2024
Vancouver Police Board Administration	\$0.51M	\$0.91M	\$0.297M	\$0.69M	\$0.393M
Vancouver Police Department Expenditures & Transfers Total	\$440M	\$446M	\$441.97M	\$442.37M	\$0.393M

In addition to the proposed amendment to the 2024 operating budget as outlined above, the submission received from the Police Board on February 29, 2024 references two additional points:

- The Police Board proposes to explore jointly with the City best practices in relation to budgeting, potentially including development of a memorandum of understanding regarding Board-Council communications, roles and responsibilities in budget development and budget procedures; and
- The Police Board confirms that it will be undertaking a review of annual audits of the VPD and Board conducted by the City’s Internal Audit team, as well as performance audits that have been delivered by the City’s Auditor General, with a view to determining any gaps that warrant an independent audit.

**Financial Implications**

The revised provisional VPB budget includes an additional \$393,000 for the Vancouver Police Board administration and operations relative to the Council Approved 2024 budget. Funding for this additional expense was not built into the 7.5% property tax increase approved by Council.

If Council adopts Alternative Consideration B, staff recommend that the incremental \$393,000 funding for the Vancouver Police Board I be managed within the overall City 2024 budget as a one-time expense for 2024. In 2025, this ongoing expense will require a corresponding property tax increase or identification of offsetting savings.

**Legal Implications**

If Council adopts Option B and such decision is contested by the Vancouver Police Board, the Police Act provides that the Police Board or the City could refer this matter to the Director of Police Services for a binding determination.

\* \* \* \* \*

**APPENDIX A**

**2024 VPB Proposed Budget Amendment Summary**

2024 Budget Amendment Summary (\$ 000)	27-Nov-23	12-Dec-23	29-Feb-24	Council Approved vs VPB Amended Budget
	VPB Provisional Budget	Council Approved 2024 Budget	VPB Revised Provisional Budget	Net Change (\$)
<b>Total Revenues</b>	<b>(30,266)</b>	<b>(30,266)</b>	<b>(30,266)</b>	-
<b>Expenditures &amp; Transfers</b>	<b>440,000</b>	<b>440,000</b>	<b>440,000</b>	
Incremental Budget requested by the Board <i>(Detailed List Below)</i>	6,130	1,974	2,367	393
<b>Total Expenditures &amp; Transfers</b>	<b>446,130</b>	<b>441,974</b>	<b>442,367</b>	<b>393</b>
<b>Net</b>	<b>415,863</b>	<b>411,707</b>	<b>412,100</b>	<b>393</b>

Incremental Budget requested by the Board (Detailed List Below)	27-Nov-23	12-Dec-23	29-Feb-24	Council Approved vs Amended Budget
	VPB Provisional Budget	Council Approved 2024 Budget	VPB Revised Provisional Budget	Net Change (\$)
Vancouver Police Board Administration increase*	395	(216)	393	
Community Policing Centres (CPC) annual COLA adjustment	69	69		
Body Worn Camera	307	307		
Coroner's Inquest recommendations for Constable Nicole Chan	659	374		
Digital Evidence Management System (DEMS) final year implementation	187	187	1,974	
Jail Nursing and Medical Contract	745	745		
Jail HVAC and lighting replacement	508	508		
Justice Institute of BC (JIBC) Recruit fee	81	-		
Ammunition Disposal	20	-		
Statutory holiday pay for the National Day of Truth and Reconciliation	670	-		
Uniform Laundering and Cleaning Contract	50	-		
Statutory holiday pay adjustment	407	-		
Sworn Salary Premiums	315	-		
Position reclassification	190	-		
Fringe Benefits rate adjustment	152	-		
Overtime for protests and demonstrations	969	-		
Adjust parking & unclaimed cash revenue lines	350	-		
Community Engagement / Advisory Committees	28	-		
Project 529	28	-		
<b>Total</b>	<b>6,130</b>	<b>1,974</b>	<b>2,367</b>	<b>393</b>

Increments Approved by Council on 12 Dec, 2024

\* Council approved an annual funding amount of \$297,000 for Vancouver Police Board administration, a reduction from the Vancouver Police Board Provisional Budget



# VANCOUVER POLICE BOARD

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

## APPENDIX B

February 29, 2024

His Worship Mayor Ken Sim and City Council  
c/o Paul Mochrie, City Manager  
453 West 12<sup>th</sup> Avenue  
Vancouver, BC V5Y 1V4

Dear Mayor Sim and City Council,

I write on behalf of the Vancouver Police Board to advise of changes to the provisional police budget that were approved by the Board at its meeting of February 29, 2024. At the meeting, the Board passed the following motion amending the provisional budget submitted to the City of Vancouver on November 27, 2023 and making additional commitments:

*Whereas the Vancouver Police Board is charged with the responsibility of ensuring that the Vancouver Police Department provides effective and efficient services to the community;*

*And Whereas the Board depends on Vancouver City Council to provide an adequate annual budget to carry out its responsibilities and mandate;*

*And Whereas the Board, having reviewed the provisional budget it prepared and submitted to the City of Vancouver in November 2023, wishes to address the difference between the provisional budget and the funding allocation approved by City Council, taking the views of Council into account;*

*And Whereas the Board, having carefully considered its statutory obligations to provide civilian oversight and related obligations to the Vancouver Police Department, has determined that a reduced amount for board administration will still be adequate and sufficient to provide the necessary staff and resources to allow the Board Directors to perform the work expected of them competently and properly;*

THEREFORE BE IT RESOLVED THAT the Vancouver Police Board approve:

1. That the provisional budget be decreased by \$3,763,234;
2. That the estimates for board administration and operations be reduced from \$908,000 to \$690,000;
3. That a revised provisional budget of \$412,100,234 be submitted to the City of Vancouver by March 1, 2024;

## VANCOUVER POLICE BOARD

- 4 That the Board explore discussions with the City of Vancouver regarding best practices in relation to budget measures, which may include entering into a mutually agreeable memorandum of understanding or protocol regarding Board-Council communications, roles and responsibilities in budget development and clarifying budget-related processes and procedures; and
- 5 That the Board review the scope of annual audits of the Vancouver Police Department and Board conducted by the City of Vancouver's internal audit department, and of performance audits conducted by the City's Office of the Auditor General, to consider whether there are any gaps that may require the Board to seek an independent audit.

The Board seeks to improve its engagement with City Council and between its Executive Director and senior City management. Historically, Council and the Board held a joint meeting at least once per year. These meetings were an opportunity for the Board to explain its mandate, legislated responsibilities and independence from Council, but also for the Board to more fully appreciate Council's priorities for policing and its role as steward of tax dollars. These meetings and constructive dialogue have provided a foundation of mutual understanding and could clarify and improve budget development and management processes.

Sincerely,



Jason Kuzminski  
Executive Director

Cc: Frank Chong, Chair of Finance, Audit and Risk Committee  
Chief Constable Adam Palmer, VPD  
Deputy Chief Constable Steve Rai, VPD  
Patrice Impey, City of Vancouver

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5. That the Board review the scope of annual audits of the Vancouver Police Department and Board conducted by the City of Vancouver's internal audit department, and of performance audits conducted by the City's Office of the Auditor General, to consider whether there are any gaps that may require the Board to seek an independent audit.