

# **The Regional Municipality of York**

Committee of the Whole  
Finance and Administration  
December 9, 2021

Report of the Commissioner of Finance

## **2022 Budget - York Regional Police**

### **1. Recommendations**

1. Committee of the Whole recommends the budget to Council as submitted for York Regional Police as follows:
  - a. The 2022 operating budget as summarized in Attachment 1.
  - b. The 2022 capital expenditures and the 2022 Capital Spending Authority, as summarized in Attachment 2.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on December 16, 2021.

### **2. Summary**

This report provides a summary of the 2022 Operating and Capital Budget for York Regional Police for consideration by Committee of the Whole. Details of the budget can be found on page 213 of the [2022 Budget Book](#).

Key Points:

- The proposed budget includes 27 additional staff to support the following drivers for growth: 11 members to combat serious and organized crime, five officers to advance learning and development and 11 members for organizational effectiveness and transformation initiatives
- The 2022 proposed gross operating expenditures for York Regional Police are \$414.6 million, which is 15.5% of total Regional operating expenditures
- After non-tax revenues of \$37.8 million, the proposed net operating budget is \$376.8 million, or 29.5% of the Region's net expenditures
- The proposed capital budget is \$32.8 million in 2022, or 3.3% of the proposed Regional capital budget, and proposed Capital Spending Authority is \$32.8 million

### 3. Background

The goal of York Regional Police is to provide superior quality service to the citizens it serves, while responding to new demands and challenges.

The service is governed by the provincial *Police Services Act*, which sets out principles designed to ensure the safety and security of people and property, the safeguarding of fundamental rights, cooperation with local communities, respect for and understanding of the needs of the victims of crime, and being sensitive to diversity.

#### **Council directed staff to reduce the tax levy increase for 2022 and on May 27, 2021 endorsed a target tax levy increase of 1.96%**

The [2021-22 Budget](#) approved on March 25, 2021 included a 2022 outlook tax levy increase of 2.96%. This outlook reflected budget amounts for Regional departments and key service areas.

As part of budget approval, Council directed staff to “undertake strategies and processes to reduce the 2022 operating outlook as tabled on February 25, 2021.”

The [2022 Budget Direction report](#), adopted by Council on May 27, 2021, set out a target tax levy increase of 1.96% for 2022, in response to Council’s direction.

Building on Council’s direction, a comprehensive savings exercise was undertaken to achieve a proposed 2022 tax levy increase that is 1% below the outlook, while also ensuring that contributions to reserves are maintained at levels that safeguard the Region’s financial sustainability.

#### **The 2022 budget was tabled with Council in November with a proposed 2022 tax levy increase of 1.96% and a Rapid Transit Infrastructure Levy of 1%**

The budget as tabled on November 25, 2021 included a proposed tax levy increase of 1.96% which is consistent with the 2022 Budget Direction report. The tabled budget also includes a Rapid Transit Infrastructure Levy of 1% to help fund the Yonge North Subway Extension.

The proposed 2022 Operating and Capital Budget was tabled with Council on November 25, 2021, in accordance with the timelines established in the 2022 Budget Direction report. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

#### **The 2022 Budget is the fourth year of the 2019-2022 Multi-year Budget cycle**

The operating budget presented is a one-year budget for the remaining year of Council’s term. Council is asked to approve the budget for 2022.

## Multi-year commitments for capital projects are proposed as part of the budget process

Many capital projects span several years of planning, design and construction, requiring spending authority beyond the current budget year.

Capital Spending Authority is requested for 2022 capital expenditures and for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve the proposed capital expenditures and funding for 2022 and the multi-year Capital Spending Authority.

## 4. Analysis

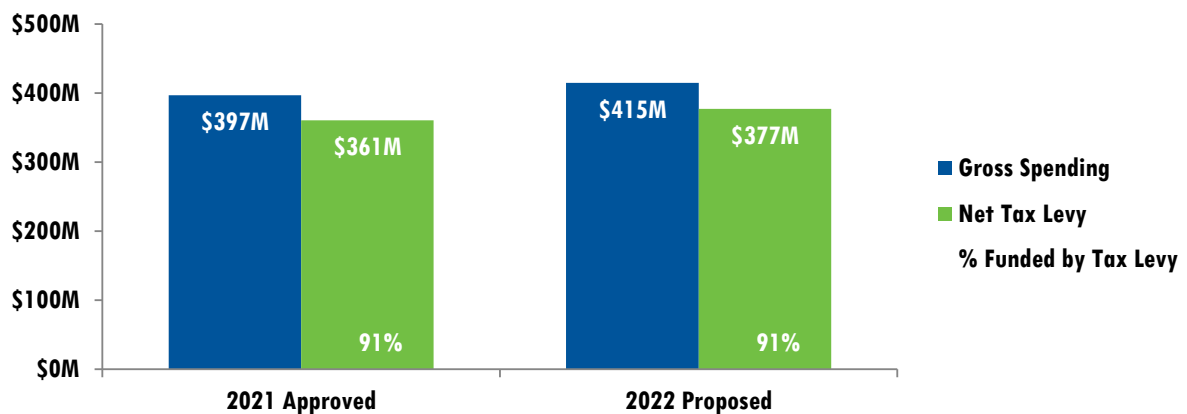
### OPERATING BUDGET

#### Approval of 2022 gross expenditures of \$414.6 million and net expenditures of \$376.8 million is requested

The budget includes gross operating expenditures (i.e., total budget) and net expenditures, which correspond to the portion of the budget paid by the tax levy. Non-tax revenues fund the difference. For York Regional Police, non-tax revenues come from grants and subsidies, fees and charges, development charges, third party recoveries, and reserves.

The 2022 proposed gross operating expenditures for York Regional Police are \$414.6 million, or 15.5% of total Regional expenditures. The proposed 2022 net expenditures of \$376.8 million are 29.5% of the total. The tax levy funds 90.9 % of York Regional Police's 2022 gross expenditures, as shown in Figure 1 below.

**Figure 1**  
**2022 Gross and Net Operating Expenditures**

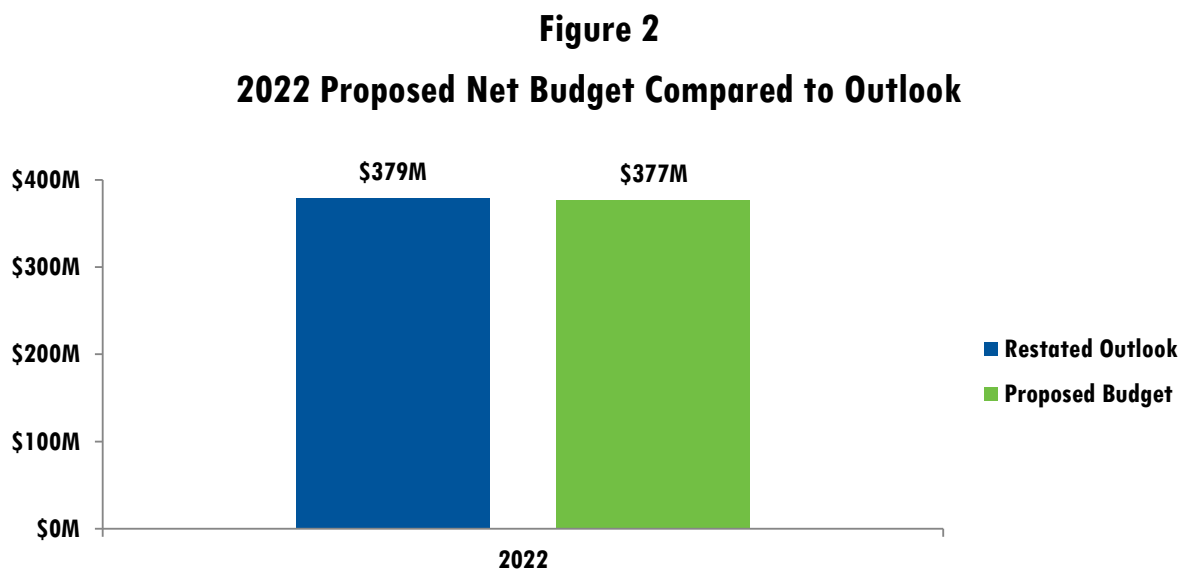


## **Impacts of COVID-19 pandemic and mitigation strategies are reflected in the proposed operating budget**

The COVID-19 pandemic had major impacts on York Region in 2020 and 2021, and many of these are expected to continue to some extent in 2022. Significant ongoing impacts for York Regional Police include reduced fee revenues for services provided through the Community Resource Center and costs of personal protective equipment and other expenses. These are managed through reductions to administrative spending and other savings.

## **York Regional Police' proposed 2022 operating budget is lower than the previous outlook**

As illustrated in Figure 2 below, York Regional Police' proposed 2022 net budget is \$2.0 million lower than the previous outlook.



The department's proposed 2022 net budget is below the outlook due to reductions to help meet the 1.96% tax levy increase included in the 2022 Budget Direction report. Savings initiatives include reducing planned growth in staffing, draws from the Police Sick Leave reserve to help fund retiree sick bank payouts and including lower than planned capital reserve contributions.

## **CAPITAL BUDGET**

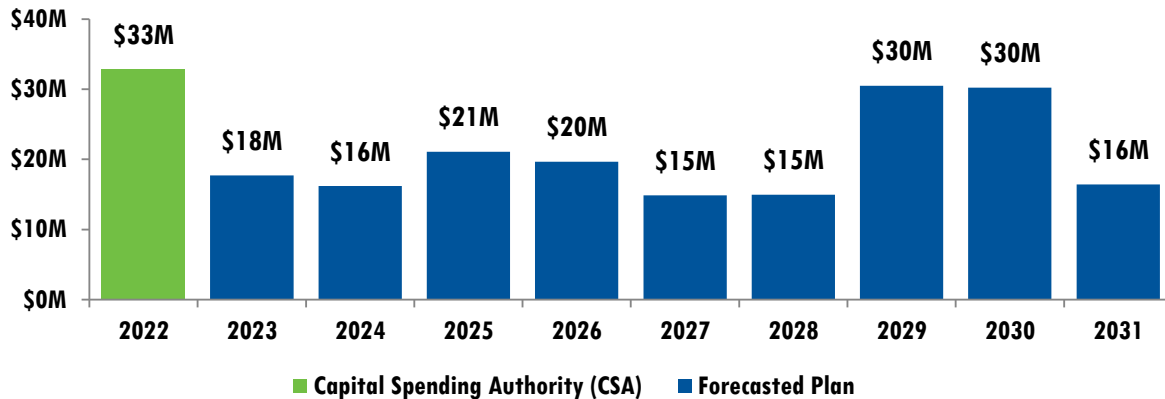
### **Approval of 2022 capital expenditures of \$32.8 million and Capital Spending Authority of \$32.8 million is requested**

The York Regional Police capital budget enables infrastructure projects in support of growth, and renewal of police vehicles, facilities, technology, and specialized and communication equipment.

The 2022 proposed capital expenditures are \$32.8 million, or 3.3% of the total Regional capital expenditures. The proposed Capital Spending Authority for York Regional Police is

\$32.8 million as shown below in Figure 3, or 0.7% of the Region’s total Capital Spending Authority.

**Figure 3**  
**Ten-Year Capital Plan and Capital Spending Authority (CSA)**



Attachment 2 summarizes the Capital Spending Authority by program and shows the associated funding sources for York Regional Police. Details on the individual projects are available in the 2022 Budget Book starting on page 333.

On October 27, 2021, the Police Services Board approved the commitment of 50 percent of the proposed 2022 Capital Spending Authority for project *P29010: Vehicles – Replacement and Additional*. This will enable an order to be placed in 2021 for vehicles to be delivered in 2022 in light of automotive supply chain shortages as a result of the pandemic, at a total not to exceed \$1.9 million excluding taxes. This exception was approved by the Police Services Board to ensure that York Regional Police Fleet can operate effectively, and replace frontline vehicles as scheduled in 2022.

### **The proposed budget supports the 2019 to 2023 Strategic Plan**

The budget for York Regional Police supports the community result area of Healthy Communities in the 2019 to 2023 Strategic Plan. The service is also guided by its own business plan, available at <https://businessplan.yrp.ca/>. More information is provided in the 2022 Budget Book.

## **5. Financial**

The proposed 2022 net operating budget for York Regional Police totals \$376.8 million, as summarized in Attachment 1.

The proposed 2022 capital budget of \$32.8 million and 2022 Capital Spending Authority with an associated multi-year commitment of \$32.8 million are summarized in Attachment 2. Expenditures not identified as part of Capital Spending Authority but contained within the

Ten-Year Capital Plan are provided in the Budget Book for planning purposes and may be brought forward for formal approval in subsequent budget years.

## 6. Local Impact

The Region's budget supports a wide range of public services that benefit residents and local economies. The Region works with its local municipal partners to develop many Regional programs and services. Local needs and impacts are an important consideration in delivering effective and efficient services for a growing population.

## 7. Conclusion

This report sets out the proposed 2022 operating and capital budgets for York Regional Police. To facilitate completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council for consideration on December 16, 2021.

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For more information on this report, please contact Kelly Strueby, Director, Office of the Budget at 1-877-464-9675 ext. 71611. Accessible formats or communication supports are available upon request.



Recommended by:

**Jason Li, CPA, CA**

Acting Commissioner of Finance and Regional Treasurer



Approved for Submission:

**Bruce Macgregor**

Chief Administrative Officer

November 17, 2021

Attachments (2)

eDOCS# 13369486