Minute No. 567
Report - Standing Policy Committee on Protection and Community Services - July 10, 2003

Item No. 1 Winnipeg Police Service - Four District Model
File GF-2

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee that the Council motion of June 25, 2003 be filed, and adopted the following:

1. That the Four District model be approved incorporating the following:

   A. The restructuring of uniform operations to a Four District model with the Capital cost of constructing the new Police Stations to be offset substantially within the existing Winnipeg Police Service Current budget through cost savings occasioned by efficiencies in the reduced number of locations.

   B. The replacement of five existing police locations with three newly constructed police stations at each of the sites referred to herein.

   C. Capital budget allocations of $535,600.00 be included in the 2003 Capital Estimates for the Planning, Property and Development Department to cover costs related to planning and design for the new construction.

   D. Funds of $4.755, $4.86, 5.174 million in 2004, 2005 & 2006 respectively, and $796,000.00 in 2007 be included in 2004 - 2008 Five Year Capital Forecast for the Planning, Property and Development Department to cover costs related to new construction.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

For the information of Council, the Executive Policy Committee referred the disposition of 227 Provencher Boulevard to the Chief Administrative Officer for further discussion and report back to the Standing Policy Committee on Property and Development, including the possibility of declaring the property surplus to the City's needs and utilization of the site for housing and/or seniors housing.

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DECISION MAKING HISTORY:

Moved by Councillor Gerbasi,
That the recommendation of the Executive Policy Committee be adopted.

In amendment,

Moved by Councillor Wyatt,
Seconded by Councillor De Smedt,

WHEREAS the move from six police districts to four police districts is a substantial change in the policy direction of the City of Winnipeg and will have a direct impact on police presence in many affected communities;

AND WHEREAS at eleven public meetings, the public generally supported the concept of a four district model and the need for better police facilities, but expressed concern over the lack of information contained in the proposal on the future police presence, such as the general location of police stations and police service centres, and the future of existing police services centres;

AND WHEREAS the report before Council provides information on police station closures, but provides few details on the community police presence and actually includes no information based on the feedback from the public at the recent public meeting, reducing these meetings to an exercise in public relations;

AND WHEREAS the Mayor and the Winnipeg Police Service have given general support to police presence but yet these suggestions are not integrated in the four district model report now before Council;

AND WHEREAS the formulation of balanced public policy on this matter needs to acknowledge those community concerns with respect to police presence and the need for local police service centre;

THEREFORE BE IT RESOLVED that the recommendations be amended to include the additional resolves as follows:

E. For 2004, in the proposed east district, a new police station, within 2 kilometres of Dugald Road and Lagimodiere Boulevard, prior to the closure of the existing facility in District No. 4 and in conjunction with the opening of the new police station, a new fully operational police service centre in downtown Transcona. A new fully operational community beat office, with a French Liaison Officer and Community Officer working limited hours of operation, located on Provencher Boulevard. There will be no closure or relocation of the current police service centre at 1086 St. Mary's Road or 1050 Henderson Highway.

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DECISION MAKING HISTORY (continued)

F. For 2005, in the proposed west district, a new police station, within 2 kilometres of Grant Avenue and Shaftsbury Street. The current Police Service Centre at 2020 Corydon Avenue will be relocated to Portage Avenue within 4 kilometres of the existing police station at Lyle Street and Portage. There will be no closure or relocation of the current police service centre at 2835 Pembina Highway.

G. For 2006, in the North District (currently District No. 3), a new police station, within 2 kilometres of Redwood Avenue and Arlington Street. The Winnipeg Police Service is committed to keeping two fully operational police service centres in the north district. The Winnipeg Police Service will examine the existing locations of the two fully operational police service centres onces the site for the new police station has been identified.

The amendment proposed by Councillors Wyatt and De Smedt, was put.

Councillor Wyatt called for the yeas and nays, which were as follows:-

Yea: Councillors De Smedt and Wyatt. 2

Nay: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, Gerbasi, Lubosch, Pagtakhan, Smith, Steek, Steeves, Deputy Mayor Thomas, Vandal and Lazarenko. 13

and the amendment was declared lost.

The motion for the adoption of the recommendation of the Executive Policy Committee was put.

Councillor Wyatt called for the yeas and nays, which were as follows:-

Yea: His Worship Mayor Murray, Councillors Eadie, Angus, Clement, De Smedt, Gerbasi, Lubosch, Pagtakhan, Smith, Steek, Steeves, Deputy Mayor Thomas, Vandal and Lazarenko. 14

Nay: Councillor Wyatt. 1

and the recommendation of the Executive Policy Committee was declared carried.

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DECISION MAKING HISTORY (continued)

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 16, 2003, the Executive Policy Committee filed the Council motion of June 25, 2003, and concurred in the administrative recommendation dated December 9, 2002, and submitted the matter to Council.

For the information of Council, the Executive Policy Committee also referred the disposition of 227 Provencher Boulevard to the Chief Administrative Officer for further discussion and report back to the Standing Policy Committee on Property and Development, including the possibility of declaring the property surplus to the City's needs and utilization of the site for housing and/or seniors housing.

STANDING COMMITTEE RECOMMENDATION:

On July 10, 2003, the Standing Policy Committee on Protection and Community Services considered a motion that the administrative recommendation dated December 9, 2002, be concurred in, as well as an amendment to the motion that the administrative recommendation be amended, as follows:

- That recommendation No. 5 be renumbered to recommendation No. 8, and read as follows:

  "8. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing."

- That recommendation No. 4 be followed by the following recommendations:

  "5. For 2004, in the proposed East District, a new Police Station, within 2 kilometres of Dugald Road and Lagimodiere Blvd. Prior to the closure of the existing facility in District #4 and in conjunction with the opening of the new Police Station, a new fully operational Police Service Centre in downtown Transcona. A new fully operational Community Beat Office, with a French Liaison Officer and Community Officer working limited hours of operation, located on Provencher Boulevard. There will be no closure or relocation of the current Police Service Centre at 1086 St. Mary's Road or 1050 Henderson Highway.

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DECISION MAKING HISTORY (continued)

6. For 2005, in the proposed West District, a new Police station, within 2 kilometres of Grant Avenue and Shaftsbury Street. The current Police Service Centre at 2020 Corydon Avenue will be relocated to Portage Avenue within 4 kilometres of the existing Police Station at Lyle Street and Portage. There will be no closure of relocation of the current Police Service Centre at 2835 Pembina Highway.

7. For 2006, in the North District (currently District #3), a new Police Station, within 2 kilometres of Redwood Avenue and Arlington Street. The Winnipeg Police Service is committed to keeping two fully operational Police Service Centres in the North District. The Winnipeg Police Service will examine the existing locations of the two fully operational Police Service Centres once the site for the new Police Station has been identified."

The amendment to the motion was put and declared lost. The motion was put and in view of a tie vote, was declared lost in accordance with Rule 58 of the Procedure By-law. The Standing Policy Committee on Protection and Community Services due to a tie vote, submitted the matter to Executive Policy Committee and Council without recommendation.

On July 10, 2003, the Standing Policy Committee on Protection and Community Services also received as information, an administrative report dated June 27, 2003, titled Winnipeg Police Service (WPS) - Four District Model.

COUNCIL:

On June 25, 2003, Council ruled automatic referral of the following motion to the Standing Policy Committee on Protection and Community Services:

Moved by Councillor Wyatt,
Seconded by Councillor Lazarenko,

WHEREAS the amalgamation plan of Police Districts, as proposed in the Four District Model Plan, dated December 9, 2002, will involve the amalgamation of District Four and District Five on the east side of the city and District Six and District Two on the west side of the city;

AND WHEREAS five existing Police Stations are proposed for closure and will directly impact on those communities;

AND WHEREAS at the public meetings held thus far on the Four District Model Plan, the option of closing and relocating existing Police Service Centres has been raised;

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DECISION MAKING HISTORY (continued):

AND WHEREAS at all the public meetings held to date, the public has expressed concern about maintaining the police presence in their neighbourhoods;

THEREFORE BE IT RESOLVED that in regards to the final Four District Model Plan and to ensure a strong police presence, fully operational Police Service Centres must be established in both Transcona and St. Boniface prior to the closure of District Four and District Five Police Stations, respectively, and that the existing Police Service Centres in East Kildonan/North Kildonan and St. Vital be maintained and that fully operational Police Service Centres must be established in both St. James/Assiniboia and West Kildonan, prior to the closure of the District Two and District Three Stations, respectively, and that the existing Police Service Centre in Fort Richmond be maintained;

THEREFORE BE IT FURTHER RESOLVED that the administration will work in consultation with all Councillors in an effort to find consensus on the location of the new amalgamated Police Stations.

STANDING COMMITTEE RECOMMENDATION:

On July 7, 2003, the Standing Policy Committee on Protection and Community Services referred the matter to a Special Meeting of the Committee to be held on July 10, 2003.

On June 9, 2003, the Standing Policy Committee on Protection and Community Services passed the following motion:

WHEREAS the report submitted by the Planning, Property and Development Department and the Winnipeg Police Service dated December 9, 2002 and called the "Winnipeg Police Service - Four District Model", specified the closure of five existing Police Stations but gave little to no details of options for new Police Station locations, plans for Police Service Centre relocations and plans for new Police Service Centre locations;

AND WHEREAS amalgamation plans by other City departments such as the Public Works/Water and Waste Facilities Master Plan, approved by Council in 2001, gave specific details on the locations to be closed as well as the new location of the centralized facilities, all in one comprehensive and detailed report;

AND WHEREAS the public at the seven public meetings held to date across the City on the Four District Model report have expressed concern about the lack of information in the report on the location of new Police Stations, plans for Police Service Centre relocations and the location of new Police Service Centres;

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DECISION MAKING HISTORY (continued):

NOW THEREFORE BE IT RESOLVED THAT in order not to preclude the concerns raised by the public and Councillors and to ensure Councillors do their due diligence on this matter, the administration will supply the Standing Policy Committee on Protection and Community Services with a report on location options to be considered for the new Police Stations, any plans for Police Service Centre Relocations, and any plans for new fully operational Police Service Centres, and that this report be considered by the Committee prior to reconsidering the Four District Model report dated December 9, 2002.

On April 7, 2003, the Standing Policy Committee on Protection and Community Services laid over consideration of the administrative report dated December 9, 2002, with respect to the Winnipeg Police Service Four District Model to its meeting scheduled for July 7, 2003.

COMMUNITY COMMITTEE RECOMMENDATION:

On June 18, 2003, the East Kildonan-Transcona Community Committee recommended the following to the Standing Policy Committee on Protection and Community Services:

1. A fully operational Police Service Centre be established in both Transcona and St. Boniface prior to the closure of District Four and District Five Police Stations and that the existing Police Service Centres in Elmwood-East Kildonan, North Kildonan and St. Vital be maintained.

2. The Administration work directly with the Councillors of the Transcona and St. Boniface Wards on the location of the new Police Service Centres.

3. The Administration work in consultation with the Councillors of the Elmwood-East Kildonan, North Kildonan, Transcona, St. Boniface, St. Vital, and St. Norbert Wards on the location of the new amalgamated Police Station, in an effort to find consensus on the matter.

Re: Winnipeg Police Service (WPS) - Four District Model

For Submission to: Standing Policy Committee on Protection and Community Services

Submitted by: Director of Planning, Property and Development

Report date: December 9, 2002

Recommendation(s):

That the Four District model be approved incorporating:

1. The restructuring of uniform operations to a Four District model with the Capital cost of constructing the new Police Stations to be offset substantially within the existing WPS Current budget through cost savings occasioned by efficiencies in the reduced number of locations.
2. The replacement of five existing police locations with three newly constructed police stations at each of the sites referred to herein.
3. Capital budget allocations of $535,600 be included in the 2003 Capital Estimates for the Planning, Property and Development Department to cover costs related to planning and design for the new construction.
4. Funds of $4.755, $4.86, 5.174 million in 2004, 2005 & 2006 respectively, and $796,000 in 2007 be included in 2004 - 2008 Five Year Capital Forecast for the Planning, Property and Development Department to cover costs related to new construction.
5. That the proper officers of the City do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

KEY ISSUES:

- WPS review indicates that realignment from six to four districts will accrue both organizational and public benefits. Annualized salary and benefit savings in the first year of full implementation (2008) are anticipated in the range of $1,211,000. The "window" for achieving said savings through attrition is 2003 to 2005.
- Realignment will require the construction of three new police stations.
- Independent of the WPS review, Planning, Property & Development Department has examined three options for improving WPS accommodation.
    a) Improve existing five locations to meet building code compliance: $2,331,700.
    b) Renovate existing five locations to function in accordance with contemporary police standards at a cost of $11,005,600.
    c) Align with the Four District model by constructing three new stations at a cost of $15,100,500 and credit the sale of four of the five former locations
- WPS salary savings will only accrue to the Four District model to the extent that said salary savings plus the residual value of the newly constructed improvements results in a Net Present Value in the range of $2,483, 000. Other options are in the negative.

- No Capital Budget provision for this proposed Project, estimated at $16.12 million when adjusted for inflation, has been made to date.

IMPLICATIONS

General implications

	No
X	For the organization
X	For the community and/or organizations external to the City
X	Involves a multi-year contract

Comment:

- WPS service delivery has been geographically based on a municipal structure prior to 1971. Service level improvements from fewer centralized locations are considered probable to the extent that some positions will be eliminated through attrition or reallocated from administration to field operations.
- The construction and financing of three new police stations is a significant and expensive long-term commitment.

Policy implications

X	No *(The recommendations reflect a one-time decision.)*
	Yes *(The report includes a framework or principles that Council might direct be used to guide decision-making over time.)*

Comment:

Financial implications

	Within approved current and/or capital budget
X	Current and/or capital budget adjustment required

Comment:

- While salary savings and operational efficiencies in both service delivery and occupancy costs are anticipated to offset net construction costs of three new police stations, budgeting for Capital funds, in the range of $16.12 million over five years, has not been provided to date.

REPORT

RECOMMENDATION(S):

That the Four District model be approved incorporating:

1. The restructuring of uniform operations to a Four District model with the Capital cost of constructing the new Police Stations to be offset substantially within the existing WPS Current budget through cost savings occasioned by efficiencies in the reduced number of locations.
2. The replacement of five existing police locations with three newly constructed police stations at each of the sites referred to herein.
3. Capital budget allocations of $535,600 be included in the 2003 Capital Estimates for the Planning, Property and Development Department to cover costs related to planning and design for the new construction.
4. Funds of $4.755, $4.86, 5.174 million in 2004, 2005 & 2006 respectively, and $796,000 in 2007 be included in 2004 - 2008 Five Year Capital Forecast for the Planning, Property and Development Department to cover costs related to new construction.
5. That the proper officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT:

Approval is being sought for the financing of new police facilities, the cost of which, in large part, to be offset by economies achieved through operational efficiencies.

HISTORY:

The current WPS six districts were established prior to 1971 in the era of the Metropolitan Corporation. Three contemporary issues have led to a review of how the WPS delivers its service:

I. The physical restructuring of the Service, in keeping with neighbourhood boundaries, will reinforce the shift toward Community Patrol and cooperative partnerships with community;
II. All facilities, with the exception of the Public Safety Building, require extensive renovations and are expensive to maintain and operate;
III. With attrition, there is a window of opportunity to reduce the workforce to accrue the operating efficiencies of four centralized locations. Changes delayed beyond the next two years will negate workforce reductions.

DISCUSSION:

There are three major issues to consider:

From a Winnipeg Police Service perspective:

A. Operational Efficiencies;
B. Staff rationalization/reassignments; and,

From a facility management perspective:
C. The cost of renovating the existing locations versus new construction of police stations.
The combination of the projected WPS efficiencies with the accommodation initiates will then be examined from a financial perspective.

A. Operational Efficiencies

A recommendation of the WPS Internal Operational Review team suggested that consideration be given to restructuring uniform operations to a Four District configuration. This recommendation was later studied and concurred in with a team of external consultants, Projestic International. In their report dated December 20th, 2000 Projestic, at page 47, concluded, "A review of the available data suggests that there is no viable alternative to the 4-division model proposed."

The Winnipeg Police Service, in agreement with the Winnipeg Police Association, maintains operational deployment through its six districts by deploying a minimum 27 cruiser cars per shift. Distribution across the City is as follows:

DISTRICTS	CRUISER CARS	PERCENT OF UNITS
1	**7**	**26**
2	**3**	**11**
3	**6**	**22**
4	**4**	**15**
5	**3**	**11**
6	**4**	**15**

Two Districts (1 & 3) deploy 48% of the total cruiser cars in the Service. Districts 2 & 6 combined, and Districts 4 & 5 combined each deploy the same number of cruiser cars as District 1. Inequity of workload between districts has been a common complaint throughout the Service. As well the challenge remains to maintain minimum staffing levels in operational districts.
In the current six-district model, operational districts function on an 18:1 personnel deployment ratio. This means that it requires 18 police constables to deploy 1 cruiser car 24 hours a day, 7 days a week. This formula, based on a 2080-hour work year, takes into account sick leave, mandatory training days, annual leave, statutory credit leave, and extra duty leave, as well acting at a higher rank. The formula does not account for temporary assignments, secondments, court, or parental leave.

Smaller districts struggle to maintain the minimum operational complement, often having to resort to call-outs, or temporarily assigning members from other districts to fill cruiser cars. This practice is particularly prevalent during the prime-time annual leave period of May thru September.

In the Four-District Model, the availability of Community Patrol members increases due to efficiencies created by operating staffing formulas on a greater number of cruiser cars per district.

Under the proposed Four-District Model, more members are available for duty. <u>At no or little cost to the City, there will be an additional 6 constables deployed each day during prime time holiday periods.</u>

The four districts would be geographically designated as East, West, North, and Central. The East District would be created from the combination of District 4 and 5, West District results from the amalgamation of Districts 2 and 6. The North District develops from renaming the current District 3, while the Central District encompasses the area currently known as District 1.

Through cruiser car deployment based on neighbourhoods, distribution of uniform operations throughout the City in a four district model would create working units reasonably similar in terms of demands for police service, staffing allocations and span of control.

A number of benefits are accrued as a result of this restructuring, such as:

- Public access to police service and information will be enhanced by conducting a needs assessment on the number and location of Service Centres.
- The physical restructuring of the Service, in keeping with neighbourhood boundaries, will reinforce the shift toward Community Patrol and cooperative partnerships with community.
- Increased police visibility will promote increased public interaction.

B. Staff Rationalization

Demographics in the WPS suggest that over the next few years a disproportionate number of officers will reach a point where retirement is a viable option. A reconfiguration of the Districts, resulting in a decrease to four districts would result in the following representative surplus positions as at 2008, the first year of full implementation:

Position	No	Salary + Benefits
Staff Sergeant	**1**	**$99,300**
Sergeant	**12**	**$1,111,300**
Annual Savings		**$1,210,600**

* This number represents the first year savings; the full impact is realized in year ten when the total savings accrue to $11,838,000.
This window of opportunity could potentially close if the decision to proceed on this initiative is delayed. Attrition rates are predicted to substantially change within the next two years, thereby reducing the number of retirements in the ranks identified.

C. Accommodations

Armed with an exhaustive accommodation review competed in April 1995 by Carruthers Shaw & Partners which concluded that "None of the buildings, in our opinion, support modern law enforcement", the Planning, Property and Development Department obtained an accommodation planning study from a local architectural firm, Number Ten Architectural Group, with cost estimates contained therein by Bird Construction.
Real estate appraisals were also obtained which suggested that each of the existing locations have outlived their economic life. Market value was estimated at land value only.
Supported with a Program of Requirements drafted by P P & D, Number Ten was requested to examine three alternatives:

1. Code Compliance: Inspect and review the condition of five existing locations and provide estimates of the cost to improve same to meet only current building codes.

    a. 730 Pandora
    b. 227 Provencher
    c. 210 Lyle
    d. 1350 Pembina
    e. 262 Hartford

The estimated cost to correct the existing building deficiencies and deferred maintenance is $2,331,700. While not considered the preferred option, the correction of code deficiencies and upgrading the facilities to meet the present building codes is a situation, which must be addressed in the City's Capital Budget process. If all other alternatives are rejected this is an imperative.

2. Renovate Existing: In order to upgrade the existing facilities as close as possible to present day police requirements and in line with a proposed [Program of Requirements] provided.

Additions and renovations are estimated to cost $9,938,800. With the addition of a furniture allowance, the total amounts to $11,005,600. The north end station, at 262 Hartford, due to the physical restraints of both building and site, is not capable of being upgraded. As such only the code compliance issues are addressed at this location for this alternative.

3. Four District Model: Close five existing Police Stations, sell four of them and build three new ones.

The estimated cost of constructing three new police stations is $15,100,500 which when grossed up for internal finance and administration costs amounts to $16,120,000.

The WPS and P, P & D, jointly investigated a number of potential sites for the location of each of the west, north and east districts. Broadly speaking, said sites were to be centrally located within the district, provide ease of access, to be of sufficient size to accommodate both a new police station with an eye to co locating a potential fire hall in a separate building on the same site, to be contiguous with other uses in the immediate vicinity and finally, be cost effective.

After examining a number of alternatives, a former ambulance site on the north side of Grant Avenue, west of Shaftsbury was considered best for the West District; a vacant site in St. Boniface Industrial Park for the East District; and, a privately owned site in the center of the North District are considered optimal. As the first two sites are City owned, an allowance has been made for land purchase in the case of the North District.

From the total cost of this alternative has been deducted the estimated sale price of four of the five existing locations. The 227 Provencher location is part of the St. Boniface campus. As such would not be considered surplus.

In total, with construction costs, one site purchase, furniture and a deduction for land sales and finance/administration charges, the net estimate for this alternative is $16,120,000.

FINANCIAL IMPACT ANALYSIS:

Note: The Accompanying *Notes to Financial Impact Analysis* are an integral part of this Analysis.

Comparative Financial Summary (Present Value Analysis):

Present Value @ 6.5%, 10 Years	**Option #1** ***Code Compliance***	**Option #2** ***Renovate Bldg.'s***	**Option #3** ***4 District Model***
Total Cost	$2,331,700	$9,956,500	$12,475,500
Total Benefit	$1,235,000	$3,337,400	$14,958,900
Net Benefit/(Cost)	**($1,096,700)**	**($6,619,100)**	**$2,483,400**

nnual Cost Factor	2008	2014
Debt service for new stations	**($1,612,000)**	**($1,612,000)**
Less: estimated salary and benefit savings	**$1,211,000**	**$1,363,000**
Less: building operational savings	**$239,000**	**$269,000**
Net Annual Benefit/(Cost)	**($162,000)**	**$20,000**

As shown above, **the net present value to the City of Winnipeg is positive only under Option #3.** This results mainly from the WPS salary and benefit savings and the estimated economic life of the proposed newly constructed facilities at the end of the ten years under study.

Annual (Budget) Financial Impact

The **Financial Impact** to the City of Winnipeg for the initial five-year term is shown on the following page. In addition, the following table summarizes the annual current budget financial impact to the City of Winnipeg for **2008** (first year of complete implementation), as well as **2014** (project breakeven):

Financial Impact Statement

Date: December 9, 2002

Project Name:
Winnipeg Police Service - Four District Model

First Year of Program 2003

	2003	2004	2005	2006	2007
Capital					
Capital Expenditures Required	$ 535,600	$ 4,755,164	$ 4,859,178	$ 5,174,398	$ 795,675
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 535,600	$ 4,755,164	$ 4,859,178	$ 5,174,398	$ 795,675
Funding Sources:					
Debt - Internal	$ 535,600	$ 4,755,164	$ 4,859,178	$ 5,174,398	$ 795,675
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 535,600	$ 4,755,164	$ 4,859,178	$ 5,174,398	$ 795,675
Total Additional Capital Budget Required	$ 16,120,015				
Total Additional Debt Required	$ 16,120,015				
Current Expenditures/Revenues					
Direct Costs[1]	$ 18,746	$ 219,991	$ 762,596	$ 1,234,620	$ 1,598,805
Less: Incremental Revenue/Recovery[2]	161,200	326,291	918,892	1,527,145	1,444,475
Net Cost/(Benefit)	$ (142,454)	$ (106,300)	$ (156,296)	$ (292,524)	$ 154,330
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (142,454)	$ (106,300)	$ (156,296)	$ (292,524)	$ 154,330

Additional Comments:

1. Direct costs include annual debt service charges and operating costs for vacated buildings until forecasted disposal. Note that should the vacated facilities not be sold as forecasted, an unrecoverable annual operating cost would result to PP&D. 2. Incremental Revenue/Recovery includes estimated WPS salary & benefit savings and facility operating cost and technical maintenance savings. Further, the forecasted vacated facility proceeds from disposition included in the NPV Analysis have not been included above (see notes to Financial Impact Analysis).

Gord Courage, Manager
Support Services Division

Notes to Financial Impact Analysis:

1. The purpose of this analysis is to provide an order of magnitude of potential cost associated with implementation and 10 year operation of Option #3. Specifically, this analysis presents a potential future financial requirement of the City of Winnipeg, which may be higher or lower than as identified herein. The inability to estimate or project full occupancy cost to the City of Winnipeg results from (1) uncertainty as to Winnipeg real estate market conditions, (2) uncertainty of financial market conditions, and (3) other risk factors associated with increasing the years under study in any financial analysis beyond a year. As such, a precise estimate of total financial impact to the City of Winnipeg cannot be determined.

2. Due to timing uncertainty, proceeds from disposition of vacated properties are not identified in the Financial Impact Statement. However, the estimated likely benefit derived from proceeds of disposition has been included in the Present Value Analysis.

3. Estimates identified in the analysis contained herein are based on prior year or current incurred costs and quotes/opinions obtained from City of Winnipeg Administration staff professionals, external consultants, and/or external service providers based on their training and experience related to the items requiring estimate.

4. The following costs/benefits have not been estimated as they are not presently quantifiable:

    - Incremental property/business tax revenue from properties sold or future development,
    - Cruiser car areas aligned with neighbourhood boundaries/improved logistics for vehicle patrol,
    - 6 Additional front line members deployed each day of prime time holidays,
    - Increased police visibility and public interaction,
    - Balanced supervisory span of control,
    - Increased patrol deployment flexibility,
    - Increased member morale, and,
    - Cost savings from newer technology efficiencies.

5. The costs/benefits of indirect factors such as decreased staff efficiency during relocation, negotiation and property sales duties, etc. are not material or not traceable and, therefore, not contained in this analysis.

Financial Definitions:

1. Estimated Implementation Cost – Estimated total cost for (1) construction of Option #3 facilities, inclusive of land development, parking, furniture, etc., to bring the new facilities to a useable/operating state, (2) Correction of existing conditions, code deficiencies and upgrading of facilities to meet present building codes under Option #1, and (3) Renovation and addition to existing facilities to upgrade them to present day police requirements under Option #2.

2. Estimated Technical Maintenance Savings – Estimated present value cost savings for future 10 year repair/maintenance requirements of a capital nature i.e., repair/maintenance requirements that are material and have an economic life greater than one year.

3. Estimated Operating Savings – Estimated present value cost savings for future 10 years resulting from implementation of the Option. Operating savings are classified as (1) facility operating savings – annual savings resulting from operation of a new, more efficient facility or (2) non-facility operating savings - annual non-facility costs foregone from implementation of the Option e.g., staff reductions, technology reductions, etc.

4. Estimated Economic Value - Estimated present value to the City of Winnipeg of the remaining useful life of an asset at the end of the period under study (10 years).

5. Net Present Value Benefit/(Cost) – Estimated benefit or cost to the City of Winnipeg in today's dollars from implementation of the Option. Present Value Net Benefit/(Cost) is based on (1) a 10-year period of study and (2) the City of Winnipeg incremental borrowing rate representing the discount factor.

IN PREPARING THE REPORT, THERE WAS CONSULTATION WITH AND CONCURRANCE BY:

The Planning, Property and Development Department was consulted with respect to:

- All accommodation issues including site selection, building costs, functional utility of both new and existing buildings, economic life and market value of existing facilities and the net economic advantage of each of the alternatives considered.

The Winnipeg Police Service was consulted with respect to:

- The operational efficiencies and staff rationalization, the public and organizational benefits of the four-district model and the net economic advantage of each of the alternatives considered.

THIS REPORT SUBMITTED BY:

Planning, Property and Development Department & Winnipeg Police Service
Division: Civic Accommodations
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