Agenda – Executive Policy Committee – January 24, 2025

BUDGET REVIEW

Item No. 7 Winnipeg Police Board – Preliminary 2025 Budget Update Recommendations

WINNIPEG POLICE BOARD RECOMMENDATION:

On January 20, 2025, the Winnipeg Police Board recommended to Council:

1. That the Board provide Council with an estimate of $352,255,999 as the total operating costs of the Winnipeg Police Service in 2025 that are required to maintain an adequate and effective police service in Winnipeg, with the proviso that there are risks associated with the $5,070,000 expenditure management target that could result in an over-expenditure authorization request in 2025.

2. That the Board advise Council that it estimates the net mill rate support required for the Winnipeg Police Service in 2025 at $292,704,153 based on a revenue estimate of $59,551,846.

3. That the Board provide Council with an estimate of $2,098,000 as the total cost for approved capital projects for the Winnipeg Police Service in 2025 that are required to maintain an adequate and effective police service in Winnipeg, with a proviso that there are risks such as replacement of critical equipment that remain unfunded. The Board acknowledges the 2025 capital projects will be funded with external debt, which will result in increased debt and financing costs in future years.

4. That the Board advise Council of the risks associated with this budget recommendation, specifically the factors that may impact the budgeted expenditure management target. The risks include:

    A. Not meeting the expenditure management target of $5.07 million in 2025 and $6.00 million annually from 2026-2028 as a result of factors including, but not limited to:

        i. inflation on non-salary budget lines such as clothing, vehicles, computer hardware, equipment and IT maintenance agreements exceeding balanced budget targets,

        ii. timing and outcomes of Collective Bargaining Agreement (CBA) negotiations. The collective bargaining agreements expire on December 31, 2025.

WINNIPEG POLICE BOARD RECOMMENDATION (continued):

iii. volume of major critical incidents/complexity of investigations and increased demands on the Service relative to growth in calls for service and increased city population and footprint of the City.

iv. upward trend in the use of overtime to address demand for service.

v. escalation in Workers Compensation Board claims and costs.

B. Fine Revenue from photo enforcement is impacted by the regulatory and legislative framework which impacts the issuance of tickets. Risk range 2025 – 2028 is estimated to be $1.0 -$3.0 million.

C. In accordance with pension legislation in Manitoba, the Winnipeg Police Pension Plan must be reviewed every three years and an actuarial valuation must be filed with the pension regulator. The next valuation will occur no later than December 31, 2025. The employer contribution rate may vary from year to year depending on the valuation. As a result, a financial impact is unknown at this time but could have a material impact on the budget retroactive to January 1, 2026. Historically, the financial impact has experienced extreme fluctuations.

D. Externally Funded Positions:

i. School Resource Officer Program agreements end on June 30, 2026. As the program is contingent on funding from participating school divisions, there is a risk that they will not be renewed relative to 11 FTE constables or that signed agreements could be terminated. Impacted members would be reassigned.

ii. MPI funds 2 FTE constables and 1 FTE Crime Analyst in Stolen Auto Program.

iii. Manitoba Justice funds $145K to partially fund 2 FTE analysts for Criminal Organization High Risk Offender Unit.

iv. Manitoba Justice funds up to $8.5 million for the Manitoba Integrated Violent Offender Apprehension Unit, Manitoba Integrated Missing Persons Coordination Centre and Downtown Safety. Continued funding of these programs is subject to approval of future provincial budgets; should the initiatives be terminated, funding will continue until the Service can eliminate the positions through attrition.

WINNIPEG POLICE BOARD RECOMMENDATION (continued):

5. That the Board has adhered to The Police Services Act and refers the 2025 Preliminary Operating and Capital Budget as they pertain to the Winnipeg Police Service and as tabled by the Executive Policy Committee, to Council for their consideration.

DECISION MAKING HISTORY:

WINNIPEG POLICE BOARD RECOMMENDATION:

On January 20, 2025, the Winnipeg Police Board passed the following motion:

WHEREAS section 19 of the Winnipeg Police Board By-Law requires the Winnipeg Police Board ("the Board") to "submit operating and capital estimates to Council that will show the amounts that will be required to maintain the Winnipeg Police Service and provide it with equipment and facilities";

AND WHEREAS subsection 29(1) of The Police Services Act states "To assist the council in developing the municipal budget, the police board must provide council with (a) an estimate of the costs required to operate the police service in the next fiscal year; and (b) any additional information that the council considers necessary to enable it to assess the financial requirements of the police service";

AND WHEREAS subsection 29(2) of The Police Services Act states "The council is responsible for establishing the total budget of the police service";

AND WHEREAS chapter 7 of the Manitoba Police Commission's policy manual states "The police board shall review the draft budget, including detailed submissions, at a special private board meeting for the purpose of budget review. In the review, the board members shall satisfy themselves that the budget is sufficient to maintain an adequate and effective police service";

AND WHEREAS City Council, through the Chief Financial Officer, provided the Board with an inter-office memorandum on April 26, 2024 outlining the Budget Guidelines for the 2025 to 2028 Multi-Year Budget Process;

AND WHEREAS per the Multi-Year Budget policy, Council may consider adjusting the approved operating projections and capital forecasts (of the current budget cycle - 2025 to 2028);

AND WHEREAS the four-year budget directive is to maintain 2025 to 2028 service levels consistent with the 2024 approved budget;

AND WHEREAS the Board has consulted extensively with the Winnipeg Police Service, reviewed reports prepared by the Service, considered projections of the Service's revenues and expenditures for the coming years and emerging strategic priorities, compared previous Service budgets, and complied with direction based on decisions made by the Budget Working Group;

DECISION MAKING HISTORY (continued):

WINNIPEG POLICE BOARD RECOMMENDATION (continued):

AND WHEREAS the Committee of the Whole Board met in private on June 14, 2024, August 23, 2024 and November 22, 2024 to review budget estimates for the Winnipeg Police Service and risks were identified to Corporate Finance to the Budget Working Group through the budget submission on June 27, 2024;

AND WHEREAS the Committee of the Whole Board met in private on December 16, 2024 to review the Preliminary 2025 Operating and Capital Budget as tabled by the Executive Policy Committee at its meeting on December 11, 2024;

AND WHEREAS the Board, at its public meeting on January 20, 2025, reviewed the 2025 Preliminary Operating and Capital Budget for the Winnipeg Police Service.

THEREFORE BE IT RESOLVED:

1. That the Board provide Council with an estimate of $352,255,999 as the total operating costs of the Winnipeg Police Service in 2025 that are required to maintain an adequate and effective police service in Winnipeg, with the proviso that there are risks associated with the $5,070,000 expenditure management target that could result in an over-expenditure authorization request in 2025;

2. That the Board advise Council that it estimates the net mill rate support required for the Winnipeg Police Service in 2025 at $292,704,153 based on a revenue estimate of $59,551,846;

3. That the Board provide Council with an estimate of $2,098,000 as the total cost for approved capital projects for the Winnipeg Police Service in 2025 that are required to maintain an adequate and effective police service in Winnipeg, with a proviso that there are risks such as replacement of critical equipment that remain unfunded. The Board acknowledges the 2025 capital projects will be funded with external debt, which will result in increased debt and financing costs in future years;

4. That the Board advise Council of the risks associated with this budget recommendation, specifically the factors that may impact the budgeted expenditure management target. The risks include:

    A. Not meeting the expenditure management target of $5.07 million in 2025 and $6.00 million annually from 2026-2028 as a result of factors including, but not limited to:

DECISION MAKING HISTORY (continued):

WINNIPEG POLICE BOARD RECOMMENDATION (continued):

i. inflation on non-salary budget lines such as clothing, vehicles, computer hardware, equipment and IT maintenance agreements exceeding balanced budget targets,

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iii. volume of major critical incidents/complexity of investigations and increased demands on the Service relative to growth in calls for service and increased city population and footprint of the City.

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DECISION MAKING HISTORY (continued):

WINNIPEG POLICE BOARD RECOMMENDATION (continued):

iii. Manitoba Justice funds $145K to partially fund 2 FTE analysts for Criminal Organization High Risk Offender Unit.

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5. That the Board has adhered to The Police Services Act and refers the 2025 Preliminary Operating and Capital Budget as they pertain to the Winnipeg Police Service and as tabled by the Executive Policy Committee, to Council for their consideration.

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 11, 2024, the Executive Policy Committee tabled and referred the Preliminary 2025 Budget Update (Operating, Reserves, and Capital) to the following budget review process:

Monday, January 13, 2025 – 9:30 a.m.	Standing Policy Committee on Property and Development
Tuesday, January 14, 2025 – 9:30 a.m.	Standing Policy Committee Water, Waste and Environment
Wednesday, January 15, 2025 – 9:30 a.m.	Standing Policy Committee on Community Services
Thursday, January 16, 2025 – 9:30 a.m.	Standing Policy Committee on Public Works
Friday, January 17, 2025 – 9:30 a.m.	Standing Policy Committee on Finance and Economic Development
Monday, January 20, 2025 – 9:30 a.m.	Winnipeg Police Board
Tuesday, January 21, 2025 – 9:30 a.m.	Executive Policy Committee – Budget Presentations
Wednesday, January 22, 2025 – 9:30 a.m.	Executive Policy Committee – Budget Delegations
Friday, January 24, 2025 – 9:30 a.m.	Executive Policy Committee – Final Budget Recommendations to Council
Wednesday, January 29, 2025 – 9:30 a.m.	Council