Agenda – Standing Policy Committee on Finance and Economic Development – September 14, 2026

REPORTS

Item No. 4 Over-expenditure Authorization for the Winnipeg Police Service – 2026 Operating Budget – Unrealized Budgeted Expenditure Management Savings

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That approval be given to the Winnipeg Police Service to over-expend its 2026 operating budget up to $4,534,000 for unrealized Expenditure Management savings as follows:

Budgeted Expenditure Management Savings	$7,000,000
Offset Other Operating Revenue	(885,000)
Offset Salary and Benefit Savings	(3,281,000)
Operating Expense Pressures	1,700,000
Total	$4,534,000

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

ADMINISTRATIVE REPORT

Title: Over-expenditure Authorization for the Winnipeg Police Service – 2026 Operating Budget – Unrealized Budgeted Expenditure Management Savings

Critical Path: Standing Policy Committee on Finance and Economic Development

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Holowka	Chief G. Bowers	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Winnipeg Police Service (WPS) is requesting authorization for a projected 2026 operating budget over-expenditure of up to $4.53 million.

The Service is projecting to be over budget directly as a result of unrealized budgeted savings (i.e., Expenditure Management) net of salary and benefit savings, incremental revenue and operational expense pressures.

As part of the 2026 administrative update for the multi-year balanced budget for 2024 – 2027, the 2026 operating budget Expenditure Management savings target was set at $7.0 million.

The June 30, 2026, forecast indicates departmental expenditures are expected to exceed budget by $17.82 million. However, $11.30 million is offset by revenue and $1.99 million in other incremental revenue is forecasted. After taking these into account, the department's over-expenditure request is for up to $4.53 million for the unachieved portion of the Expenditure Management savings target.

Expenditures Exceeding Budget	$17,832,000
Offsetting Revenue	($11,302,000)
Other Incremental Revenue	(1,987,000)
Total	**$4,534,000**

RECOMMENDATIONS

1. That approval be given to the Winnipeg Police Service to over-expend its 2026 operating budget up to $4,534,000 for unrealized Expenditure Management savings as follows:

Budgeted Expenditure Management Savings	$7,000,000
Offset Other Operating Revenue	(885,000)
Offset Salary and Benefit Savings	(3,281,000)
Operating Expense Pressures	1,700,000
Total	**$4,534,000**

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

REASON FOR THE REPORT

As at the June 30, 2026, forecast report, the WPS is projecting an over-expenditure of $4.53 million that is not offset by savings or an increase in revenue. The Service does not anticipate a significant improvement in this projection over the remainder of the year. The demand for police services is inherently unpredictable with operational requirements often changing rapidly in response to emerging incidents and events. The resource-intensive nature of homicide investigations, fluctuating calls for service, ongoing demands associated with violent crime, and other operational priorities create uncertainty in the public safety environment.

The current forecast is based on information available at the midpoint of the fiscal year. As the Service has not yet entered the period that has historically generated the highest volume and complexity of demand, the financial outlook remains subject to significant operational uncertainty. The Service will continue to closely monitor key factors affecting the budget and implement strategies wherever possible.

Pursuant to section 77 of the *Winnipeg Police Board Rules of Practice and Procedure* (RPP), if amounts exceed the approved budget, the Service must submit a report to the Winnipeg Police Board that specifies the amount of the shortfall, the reasons additional funding is needed and alternatives for funding the requirements from within the allocated budget.

If the Board is satisfied, after considering the WPS report, that no viable funding alternatives
within the allocated budget are available, the Board may submit a request to the Standing Policy Committee on Finance for supplementary funding together with any contingency plans and information that Council may require to properly assess the request.

Clause 9.1 of By-Law No. 7100/97 states that “The Standing Policy Committee on Finance may approve additional appropriations to an operating budget including approval of reallocations of funds provided in an operating budget of the city for a

purpose other than that set out in the budget, and approval of additional operating expenditures."

IMPLICATIONS OF THE RECOMMENDATIONS

If approved, additional operating budget will be appropriated to the Winnipeg Police Service and allocated by the Winnipeg Police Board to address the over-expenditures related to the unrealized budgeted Expenditure Management savings and allow the Service to maintain current service delivery.

As per the Q1 Financial Status and Forecast Report to March 31, 2026, that was presented to Standing Policy Committee on June 12, 2026, the funding of the projected over-expenditure has been accounted for by using the Financial Stabilization Reserve.

HISTORY/DISCUSSION

Expenditure Management and Over-Expenditure

Since 2019, the adopted budget has included an annual Expenditure Management savings target ranging from $1 million to over $9 million. The Service's ability to achieve savings has varied over time and has largely been dependent on a combination of operational and financial factors, including overtime utilization to address staffing shortfalls and meet demand for service, incidental one-time savings, cost-recovery and volume of police service revenue.

The Expenditure Management savings target is included in the adopted budget as a negative expenditure line, effectively requiring savings to be found before the fiscal year even begins. As the base budget is developed to support existing service delivery levels, the reduction creates an inherent pressure to generate savings to achieve the adopted budget.

Expenditure Management 2026 – Realized Savings and Incremental Revenues

As of the June 30, 2026, forecast report, the WPS is projecting savings and incremental revenues of $2.47 million to partially achieve the Expenditure Management savings target of $7.0 million for 2026. Projected savings and incremental revenues are detailed in the sections that follow.

The Service's June 30, 2026, forecast will be reviewed at the September 11, 2026, public meeting of the Winnipeg Police Board.

Salary and Benefit Savings

The Service is forecasting salary savings primarily due to the timing of sworn officer attrition and vacancies within the professional staff complement. Professional staff vacancies may occur due to delays in the hiring process, promotions, or other internal opportunities, including successful recruitment into police recruit classes. Regardless of how vacancies occur, they result in a backlog of work, place a greater demand on those who are in the workplace and require increased use of overtime to ensure critical service delivery, all of which have a negative impact on staff morale, productivity and wellness.

In addition, the Service is experiencing a sharp increase in injury severity and lost work hours for sworn members, largely driven by psychological injury claims, with total lost hours rising 469% over the last decade. While the Service is managing these claims within the existing salary budget, they have a direct impact on savings.

The Service is projecting savings of **$3.28 million** resulting from attrition and vacancies, primarily due to delays in the hiring process, for the year ending December 31, 2026.

Further savings are dependent on the number of retirements and timing of onboarding new hires during the remainder of the year. Members must give 45 days' notice. Included within this forecast is a nominal amount related to furlough and group insurance savings and an increase in workers' compensation benefits which is driven by an increase in the number of accepted claims related to workplace injuries.

Police Services Revenue

An increase in criminal record check and other miscellaneous police service revenue as a result of higher than anticipated volumes is contributing to the Service partially achieving the Expenditure Management savings target.

The Service is projecting additional operating revenue of **$0.88 million** as it relates to other police service revenue and recoveries for the year ending December 31, 2026.

Financial Pressures

In addition to the human resource challenges noted above, the Service is experiencing a number of financial pressures that offset savings that would otherwise partially achieve the Expenditure Management savings target.

One pressure is the rising cost of goods and services, which is not unique to the Service and impacts all levels of government and public and private business worldwide. The Service is projecting an over-expense of **$1.70 million** primarily as a result of escalating costs for Police Equipment, Automotive Parts, Fleet Lease, Fuel and Insurance, in addition to significant increases in IT hardware and software maintenance costs for the year ending December 31, 2026.

Summary Expenditure Management – Realized Savings and Incremental Revenues:

Salary and Benefit Savings	$3,281,000
Police Services Revenues	885,000
Operating Expense Pressures	(1,700,000)
Total Savings and Incremental Revenue	**$2,466,000**

Summary Over-expenditure:

Expenditure Management Savings Target	$7,000,000
Savings and Incremental Revenue	2,466,000
Total Over-expenditure	**$4,534,000**

Options to Reduce Over-expenditure

The 2026 Expenditure Management savings target of $7.0 million amounts to nearly 25 percent of the non-salary budget for the Service net of the Accommodations and Debt and Financing costs which are largely non-discretionary. In light of the pressures noted above, there is little opportunity to achieve significant savings in the non-salary budget and Expenditure Management savings must be identified through other budget lines. However, as 86 percent of the total budget for the WPS is Salary and Benefits, which are driven by Council-negotiated collective bargaining agreements, there are limited options to offset the Expenditure Management savings target without impacting service delivery.

As such, the Service did not consider laying off members. At a time when new resources have been approved through the budget process in order to better meet demand for service, coupled with collective agreement provisions related to minimum resources and a legislative responsibility for carrying out all duties outlined in *The Police Services Act*, layoffs are not a viable option for consideration.

Further, the “last-in-first-out” provisions of the collective agreement would have a detrimental impact on civilian units, such as the Communications Centre, Central Processing Unit and Auxiliary Cadets, due to the timing of hiring as these members are recruited in groups for training purposes. Layoffs would also give rise to a long-term impact on staffing, result in an increase in the use of overtime and have significant service delivery impacts.

The Service does not recommend or support layoffs as a contingency plan for the over-expenditure in the operating budget in light of existing service demands.

Cautionary Note - Overtime

The Service has established a variety of overtime management strategies. Over the last several years, the Service has achieved savings in overtime which has contributed to the Expenditure Management savings target in prior years.

The Service has a comprehensive overtime management strategy. One component of the strategy is detailed monthly reviews and reporting of overtime and performance measurement indicators to ensure oversight and to monitor trends. The amount of savings varies from year to year and is directly impacted by demand and staffing resources. This year, overtime is increasingly relied on to maintain the 28-cruiser car minimum per shift, citywide, as the number of on-duty police resources has been negatively impacted by duty-related injuries.

Overtime has been used to address the high volume of calls for service and calls waiting in the queue for response. Since May 2026, additional cruiser cars have been deployed to respond to urgent calls, allowing General Patrol members to focus on emergencies.

Not including overtime that is offset by revenue, at the end of June 2026, overtime was up 15.1 percent or 13,500 hours compared to the same time frame last year. Some overtime is scheduled and used to bolster resources as noted above, but most is unplanned. In which case, overtime is needed to ensure the Service can respond to what is occurring on a given day. Callouts for minimum strength and continuing overtime for investigations are the most common reasons to authorize overtime.

Overtime is also impacted by the Services' partnerships with other emergency service providers, such as Winnipeg Fire Paramedic Service (WFPS) and provincial healthcare partners. When partners of the WPS are also facing critical staffing shortages, demand on the Service is compounded. For instance, when members must wait for extended periods in an emergency department for an individual to be assessed under *The Mental Health Act*, the calls for service outstrip on-duty frontline resources.

The Service continues to monitor the impact of its overtime management strategies. While some savings may be realized, the total overtime expenditure for the year remains dependent on operational demands and service requirements throughout the remainder of the year.

In accordance with section 77 of the Winnipeg Police Board Rules of Practice and Procedure (RPP), the Winnipeg Police Board has considered the Service's report and the Board is satisfied that there are no viable funding alternatives within the allocated budget. Any options to reduce costs that have a detrimental impact on service delivery were deemed not feasible and therefore were not presented as a contingency plan pursuant to section 77 of the RPP.

Efforts to achieve savings to offset the budgeted Expenditure Management amount are continuing and the Board is supportive of the Service's efforts to identify areas where savings can occur without a negative impact to service delivery. With full knowledge of the Service's operating and financial situation to date, the Board is recommending approval for the Service to over-expend its operating budget up to $4.53 million, with a caveat that the amount may be lower by the end of the year.

Although the Board is required to submit the supplementary funding request to the Standing Policy Committee on Finance, there is no administrative mechanism for that to occur. As a result, on August 11, 2026, the Winnipeg Police Board authorized the Winnipeg Police Service to proceed with the submission of this report on behalf of the Board.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 11, 2026

Project Name: **First Year of Program** **2026**

Over-expenditure Authorization for the Winnipeg Police Service – 2026 Operating Budget – Unrealized Budgeted Expenditure Management Savings

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 4,534,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 4,534,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ 4,534,000	$ -	$ -	$ -	$ -

Additional Comments: The direct costs above include requested over-expenditure for the Winnipeg Police Service in 2026 related to the unachieved Expenditure Management savings target.

Tara Holowka, August 11, 2026

Tara Holowka, CPA, CGA
Executive Director of Finance
Winnipeg Police Service

CONSULTATION

This Report has been prepared in consultation with:

- Winnipeg Police Board

OURWINNIPEG POLICY ALIGNMENT

N/A

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Winnipeg Police Service
Division: Finance Division
Prepared by: Tara Holowka
Date: August 11, 2026
File No: N/A

Appendix A – Admin Report on Financial Authorities