



## REPORT TO THE POLICE SERVICES BOARD

---

Author: Teresa Fetter, Director – Business Services

Date of Report: 11/19/2024

Type of Report: Public

Title: 2025 Proposed Budget

---

### RECOMMENDATION

That the Board accept and approve the 2025 Budget increase either as prepared by the Service (a) or as adjusted by the Region (b), as follows:

- a) An increase of \$45.37 million (16.93 per cent) over the 2024 approved budget, resulting in a 2025 budget of \$313.33 million, or
- b) An increase of \$43.85 million (16.36 per cent) over the 2024 approved budget, resulting in a 2025 budget of \$311.81 million.

### EXECUTIVE SUMMARY

The Service developed a 2025 budget plan to meet the community's needs and address future challenges, such as increased population growth, changing population density, and the impacts of the changing nature of harm in our communities.

In July, the initial 2025 budget was presented to the Board, for \$312.86 million, representing an increase of \$44.89 million or 16.75 per cent over the 2024 approved budget.

On September 25, the Region's 2025 General Purpose Property Tax Business Plans and Budget recommendations were approved by Regional Council. Specific to the Service, Council has approved

*“a 2025 Property Tax Supported Business Plans and for the Durham Regional Police not exceed \$292.753 million, an increase of 9.25 per cent compared to the 2024 approved budget for the Durham Regional Police Service, which translates to an overall property tax impact of 2.16 per cent for 2025 after assessment growth”<sup>1</sup>.*

On October 4, the Service submitted to the Region the proposed 2025 budget for \$313.33 million, an increase of \$45.37 million or 16.93 per cent over the approved 2024 budget. The budget request supports the Service's strategic plan, including investments in key operational areas and the addition of 168 positions.

On November 12, the Region provided the Service with a budget package (**Attachment A**) that included a reduced 2025 budget amount of \$311.81 million, representing an increase of \$43.85 or 16.36 per cent over

---

<sup>1</sup> Region of Durham (September 25, 2024). *Durham Regional Council approves 2025 Regional Business Plans and Property Supported Budget Guideline*. Retrieved November 7, 2024 from <https://www.durham.ca/en/regional-government/budget-and-financial.aspx>

the approved 2024 budget. The \$1.52 million reduction was made to the Service's building maintenance funding, which will result in deferral of major building maintenance projects.

The Region's recommended budget guideline (9.25 per cent) falls short of the funding required by the Service to meet its obligations to the community, to its members, to the Police Service Board, and to comply with relevant legislation. The decreased funding for critical building maintenance projects will add additional pressure to future periods.

## **PROPOSED 2025 BUDGET**

The 2025 budget development is founded on the Service's three strategic goals:

1. *Be a leader in innovative and modernized policing;*
2. *Have strong strategic partnerships that enhance community safety, and*
3. *Earn the trust and confidence of members and local communities<sup>2</sup>*

The proposed 2025 budget of \$311.81 million represents a total increase of \$43.85 million or 16.36% over the approved 2024 budget and includes funding for base operational programming and strategic investments, all of which support the Service's strategic goals.

Base funding of \$289.63 million (an increase of 8.09 per cent or \$21.67 million) is required to support critical base pressures such as contractual wage and benefit obligations, annualization of 2024 budget positions, and inflationary pressures for critical supplies, equipment, and services (***Attachment A, pages 21-22***).

Funding of \$22.18 million (or 8.28 per cent) is required to support strategic investments, including half-year salary, benefits and start-up costs for the addition of 168 full-time authorized positions. Allocated to operational, investigative, and professional areas, these resources will support the service to meet legislative requirements (officer training, evidence disclosure), provide expanded supports to the community through the expansion of the Community Safety Unit, and the introduction of a dedicated team to investigate and support individuals impacted by Hate crime. A full list of all strategic investments is provided in ***Attachment A, pages 16-20***.

The wage and benefit annualization impact (half-year for 168 positions) on the 2026 budget is anticipated to be approximately \$12.25 million or 3.9 per cent. The full list of new positions is provided in ***Attachment A, pages 23-26***.

### **Capital Expenditures and Capital Financing:**

#### Capital Asset Replacement:

The proposed 2025 budget includes \$12.15 million for the scheduled replacement of the Service's assets, like fleet vehicles, information technology equipment, operational and investigative equipment, and large building maintenance projects, all funded through property tax levy (***Attachment A, Appendix A – pages 29-31***).

---

<sup>2</sup> Durham Regional Police Service. *2024 Strategic Plan*. Retrieved November 7, 2024, from <https://reports.drps.ca/2024-strategic-plan>

The Region's \$1.52 million budget reduction for building maintenance will result in the deferral of planned projects, some of which have been previously deferred due to funding limitations. Some of the larger maintenance projects planned for 2025 include an emergency generator and pedestrian ramp replacement at West division, divisional security upgrades, boiler replacement for North division, building automation system replacement at Central East division, plus several area renovations provide space to support operations, pending the completion of future capital facility projects.

The Service's capital forecast, for 2026 to 2034, (*Attachment A, Appendix B – pages 33-35*) outlines the Service's funding requirements for asset replacement and the acquisition of new capital assets funded through property tax levy, totaling \$106.02 million.

Similar to the proposed budget reduction for building maintenance, the forecast period amounts have also been reduced; left to reflect a flat funding amount of \$1.31 million per year or a total of \$11.67 million versus the Service's submitted forecast, based on planned building work, of \$26.78 million, representing a total forecast period reduction of \$15.02 million (**Attachment A, Appendix B – page 32 – Item #1**).

#### Capital Facility Projects 2025 – 2034:

Earlier this year, the Service undertook a fulsome review of its current facilities. The review resulted in three general findings, indicating that the Service's current facilities are:

1. Aged and at the end of their useful life
2. Provide inadequate space for current needs and no space for future needs
3. Not designed appropriately to match the intended use

The Service's ten-year capital forecast was informed by the review, in addition to other drivers, like expected population growth and community changes. The capital forecast provides an overview of the Service's planned capital facility projects for the proposed 2025 budget and a forecast for the following nine (9) years, resulting in a total cost of \$893.5 million (*Attachment A, Appendix C - pages 36-37*).

Three projects planned for 2025 include the Regional Reporting Centre relocation project, land acquisition for a purpose-built police headquarters, and a space renovation for the Forensic Investigation Facility.

The capital forecast projects (2026 to 2034) include replaced police divisions, new divisions to support growth in the west and north-east parts of the Region, an education and training campus, a new forensic investigative facility, and intermediate facility renovations supporting the long-term capital facility plan.

Capital facility projects have historically been funded through debentures, development charges, and reserves. However, as noted in **Attachment A, Appendix C**, the Region is recommending to not fund these projects as part of the annual budget process, rather to review them in 2025 "*as part of the development of a long-term police service and financing strategy*" (p36), seeking Police Service Board and Council approvals in 2025.

The Region and Service continue to work together to review all options available to support the long-term capital facility project plan to minimize cost and support expediency of project completion.

#### **Attachment A – Proposed 2025 Business Plan and Budget - Report Package**