

“PUBLIC AGENDA”**SASKATOON** _____
POLICE SERVICE

TO: Jo Custead, Chairperson
Board of Police Commissioners

FROM: Troy Cooper
Office of the Chief

DATE: 2021 October 01

SUBJECT: 2022 Preliminary Police Capital Budget Estimates

FILE #: 2017

ISSUE:

Attached are the 2022/23 preliminary capital budget estimates for the Saskatoon Police Service (SPS).

RECOMMENDATION:

That the Board reviews and approves the preliminary 2022/2023 capital budget estimates and forwards to Saskatoon City Council for consideration and approval.

STRATEGIC PRIORITIES:

This report supports all of the Saskatoon Police Service’s strategic priorities as the budget provides the necessary resources to advance initiatives related to Crime & Safety, Our People, Partnerships, Communication and Innovation.

BACKGROUND:

The preliminary capital budget has been prepared based on a 10 year plan per SPS Policy and is presented as a 5-year plan – 2022 – 2026 to match the reporting of the City.

DISCUSSION:

The 2022 capital budget plan is fully funded. An increase in funding from the operating budget of \$1,133,500 is proposed in the 2022 budget plan.

2022 Capital Budget - Expenditure Type				
Capital Replacement				
	Radio	0.0%	\$ -	
	Equipment	28.7%	1,081,000	
	Technology	31.8%	1,200,000	
	Facilities	2.9%	110,000	
		63.4%	\$ 2,391,000	\$ 2,391,000
Capital Expansion				
	Radio	0.0%	\$ -	
	Equipment	1.9%	70,000	
	Technology	17.4%	656,000	
	Facilities	0.0%	-	
	General	17.4%	655,000	
		36.6%	\$ 1,381,000	\$ 1,381,000
		100%		\$ 3,772,000

Please note, the deficit in the general reserve created by the purchase of the SPS airplane is fully replaced in 2022, meeting the guideline for the reserve to be returned to a positive value in five years.

Non-SPS Funded Proposed Capital Projects

There are no proposed non-SPS funded projects for 2022/23. Please remember these would be projects which are not intended to be financed by SPS reserves. The difference between the SPS funded capital projects and these project would be, if funding were not secured from a third party, the project would fall off and would not be completed or items proposed in future years may change.

CONCLUSION:

The proposed capital budget is fully funded as proposed. The 2022/23 recommended capital budget will be brought forward to the October Board of Police Commissioners public meeting for approval.

Written by: Earl Warwick
Director of Finance and Asset Management

Reviewed by: Clae Hack
Executive Director, Corporate and Strategic Performance

Mitch Yuzdepski
Deputy Chief, Support Services

Approved by:



Troy Cooper
Chief of Police

Dated: October 8, 2021

Attachment: Capital Budget Narrative



SASKATOON

POLICE SERVICE
BE THE DIFFERENCE

2022 CAPITAL BUDGET
2023 – 2026 CAPITAL PLAN

October 2021



Saskatoon Police Service
2022 Capital Budget 2023 – 2026 Capital Plan

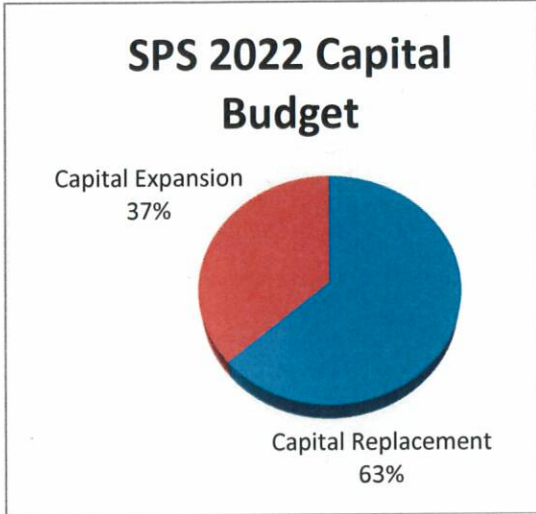
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EXECUTIVE SUMMARY

2022 Total SPS Funded Capital Budget – 6 Projects \$3,772,000



2022 Capital Budget - Expenditure Type				
Capital Replacement				
Radio	0.0%	\$	-	
Equipment	28.7%		1,081,000	
Technology	31.8%		1,200,000	
Facilities	2.9%		110,000	
	63.4%	\$	2,391,000	\$ 2,391,000
Capital Expansion				
Radio	0.0%	\$	-	
Equipment	1.9%		70,000	
Technology	17.4%		656,000	
Facilities	0.0%		-	
General	17.4%		655,000	
	36.6%	\$	1,381,000	\$ 1,381,000
	100%			\$ 3,772,000

2022 Saskatoon Police Service (SPS) Capital Investments include six projects totaling \$3,772,000 of which \$2,391,000 is targeted to address a number of asset replacement projects including \$1,200,000 related to technology replacement and \$1,081,000 for equipment replacement.

Planned capital expansion projects for 2022 total \$1,381,000 including \$656,000 for technology expansion, and \$655,000 for general equipment expansion. The largest part of the \$591,000 in technology expansion is to fund a pilot related to body worn cameras.

All projects noted above are to be funded from Police Capital Reserves.



Funding Sources

All 2022 capital projects noted above are proposed to be funded from SPS Capital Reserves. The proposed total annual provision from the Operating Budget into capital reserves is \$3,800,300.

The forecasted balance in capital reserves at the end of 2022 is as follows:

FORECASTED CLOSING BALANCE:	
Equip. & Technology	-203,880
Radio	-41,895
General Capital	-410
Renovations	-58,417
Total Closing Balance	\$ (304,603)

Negative sign shows funds remaining in the reserve, red shows reserve as overspent

Please note the General Capital Reserve will return to a positive balance in 2022. The General Capital Reserve had been used to purchase the SPS aircraft and was in a negative balance for five years, as approved by the Board and Council.

Operating Budget Impact

Listed capital projects will increase the 2022 Operating Budget by \$60,700. The operating impacts relate to the addition of vehicles to the fleet.

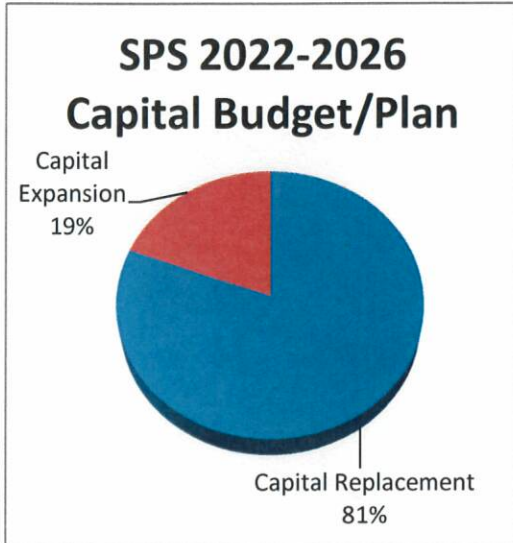
Non-SPS Funded Proposed Capital Projects

There are no non-SPS funded projects this year.



5 YEAR CAPITAL PLAN

1. Project Overview



2022 - 2026 Capital Budget/Plan - Expenditure Type				
Capital Replacement				
Radio	10.6%	\$	1,975,000	
Equipment	30.4%		5,657,000	
Technology	35.6%		6,633,000	
Facilities	4.1%		759,000	
	80.7%	\$	15,024,000	\$ 15,024,000
Capital Expansion				
Radio	0.0%	\$	-	
Equipment	0.4%	\$	70,000	
Technology	12.5%		2,332,000	
Facilities	0.0%		-	
General	6.4%		1,190,000	
	19.3%	\$	3,592,000	\$ 3,592,000
	100%			\$ 18,616,000

The most prominent trend for future capital spending relates to asset replacement. Radio, equipment, technology and facility replacement over the five year planning period of 2022 to 2026 is projected to cost \$15.0 million (80.7%) of total capital spending.

The largest category is technology replacement. Projects consist of in-car camera replacement, Storage Area Network replacement and desktop computer replacements, to name the larger projects.

Future capital expansion projects total \$3.6 million (19.3%) of total capital spending. Proposed key projects include the \$2,332,000 in technology expansion, and \$1,190,000 related to vehicle and specialty equipment expansion.

The largest expense in technology expansion relates to a body worn camera pilot and anticipated adoption of the technology.

2. **Capital Funding**

All projects in the five year capital plan are proposed to be funded from existing SPS capital reserves.



3. Sufficiency of Reserves

Overview

The ability to adequately fund Police capital reserves is for the most part a function of comprehensive planning that forecasts future needs and the ability to match these needs with a corresponding appropriate annual provision from the Operating Budget. Over the years the SPS with the support of the Board and City Council has taken a number of steps to improve both the planning efforts and reserve funding levels highlighted within the comments that follow.

Reserve Status

In 2022, the total annual provision to the capital reserves will increase \$1,133,500, then reduce \$205,000 in 2023. The increased funding meets Board approved policy that calls for the annual provision for capital reserves to equal the ten year average project cash flow requirement.

Total Transfer to Reserves

The planned transfers from the operating budget to the capital reserves are as follows:

	2022	2023
Equipment & Technology Reserve	\$ 2,845,300	\$ 3,249,700
Radio Reserve	\$ -	\$ 70,000
General Capital Reserve (Additional Vehicles)	\$ 955,000	\$ 213,600
Renovations Reserve	\$ -	\$ 62,000
Corporate Digital Data Reserve	\$ 9,100	\$ 9,100
	\$ 3,809,400	\$ 3,604,400

The status of each reserve is summarized below. A table forecasting the sufficiency of reserves is provided later in this report on Page 9.

Equipment & Technology Reserve

The Equipment & Technology Reserve annual Operating Budget provisions are as proposed above. Projects requiring funding from this reserve have increased significantly over the past number of budget cycles largely due to improved efforts to identify asset replacement needs and the desire to take advantage of new technology. A number of steps have been taken in the recent past to ensure that this is properly funded

In 2022, an increase in the capital contributions from the operating budget is planned at \$654,800.



The balance in the reserve at the end of 2022 is projected to be \$203,900. Deficits are projected for 2025 through 2026; however, commitment to future projects is still under review. Efforts will continue to prioritize capital projects and reallocate funding between capital categories. In the future, funding of capital reserves may take up a larger portion of the Operating Budget.

Radio Reserve

The Radio Reserve, which is used to finance projects related to portable and in-car radios and equipment, is currently funded as indicated above. This is a rebalancing to help fund capital reserves based on determined priorities and anticipated timing of requirements. The balance in the reserve at the end of 2022 is projected to be \$41,900. Future projects to the end of the five year planning period of 2026 are adequately funded based on current project estimates.

General Capital Reserve

In 2010 Council approved City Administration’s proposal for the establishment of new Corporate-wide departmental capital reserves. This new initiative included a partial transfer of funds from the Reserve for Capital Project (RCE) to City departments. The purpose of the new reserve was to provide annual funding to departments for projects that would typically end up on a long list of discretionary RCE projects. The Police Service allocation was set at \$100,000 and has been used to fund vehicle fleet additions. The current funding level for this account is \$955,000 annually, which is an increase of \$572,500 compared to 2021.

The balance in the Police General Capital Reserve at the end of 2022 is projected to be a deficit of \$400. There had previously been a deficit in this account which was approved by the Board and Council related to the purchase of the SPS aircraft. The deficit will return to a positive balance in the 2022 financial year, consistent with the commitment made to the Board and Council.

Facilities Renovations

The Facilities Renovations Reserve is a source of funding primarily for renovations to existing facilities. The net funding for this reserve has been rebalanced, consistent with the description for other reserves as identified above.

The balance in the Facilities Renovations category at the end of 2022 is projected to be \$58,400.



4. Capital Loans

The Police Service does not have any outstanding capital loans.

CAPITAL SUMMARY TABLE

2022 CAPITAL BUDGET / 2023 - 2026 CAPITAL PLAN

Draft	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	
POLICE CAPITAL RESERVE PROJECTS	2022 BUDGET	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2022-2026 Total

EQUIPMENT & TECHNOLOGY

P2497 EQUIPMENT REPLACEMENT	1,081,000	685,000	1,019,000	1,750,000	1,122,000	5,657,000
P2498 EQUIPMENT EXPANSION	70,000	-	-	-	-	70,000
P2499 TECHNOLOGY REPLACEMENT	1,200,000	1,814,000	1,279,000	1,123,000	1,217,000	6,633,000
P2610 TECHNOLOGY EXPANSION	656,000	725,000	337,000	326,000	288,000	2,332,000
Total Equipment & Technology	3,007,000	3,224,000	2,635,000	3,199,000	2,627,000	14,692,000

RADIO PROJECTS

P2119 RADIO REPLACEMENTS	-	111,000	-	1,427,000	354,000	1,892,000
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GENERAL CAPITAL PROJECTS

Total General Capital Projects	655,000	214,000	107,000	107,000	107,000	1,190,000
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FACILITIES RENOVATIONS

Total Facility Renovations	110,000	120,000	339,000	55,000	135,000	759,000
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Total Police Reserve Projects	3,772,000	3,669,000	3,081,000	4,788,000	3,223,000	18,533,000
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CAPITAL PROJECTS not funded by reserves

P2119 Radio Replacement - CRT (CFSEU)	-	-	-	-	83,000	83,000
N/A	-	-	-	-	-	-

Total Police Reserve Projects	3,772,000	3,669,000	3,081,000	4,788,000	3,306,000	18,616,000
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Please note Equipment and Technology projects are summarized by broad category for reporting purposes on the prior pages

**SPS - 2022 CAPITAL RESERVE SUFFICIENCY FORECAST TABLE**

Funding or room in reserves is represented as a credit, shown as negative numbers
Positive numbers equal an expenditure or deficit in funding

Draft		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
		2022	2023	2024	2025	2026
OPENING BALANCE:						
	Equip. & Technology	(365,580)	(203,880)	(229,580)	(744,180)	449,120
	Radio	-41,895	-41,895	-895	-895	-895
	General Capital	299,590	-410	-10	-10	-610
	Renovations	-168,417	-58,417	-417	-117	-117
	Total Opening Balance	-276,303	-304,603	-230,903	-745,203	447,497
ADD ANNUAL PROVISION:						
	Equip. & Technology	-2,845,300	-3,249,700	-3,149,600	-2,005,700	-3,000,700
	Radio	0	-70,000	0	-1,427,000	-353,200
	General Capital	-955,000	-213,600	-107,000	-107,600	-106,400
	Renovations	0	-62,000	-338,700	-55,000	-135,000
	Total Annual Provision	-3,800,300	-3,595,300	-3,595,300	-3,595,300	-3,595,300
FUNDING AVAILABLE:						
	Equip. & Technology	-3,210,880	-3,453,580	-3,379,180	-2,749,880	-2,551,580
	Radio	-41,895	-111,895	-895	-1,427,895	-354,095
	General Capital	-655,410	-214,010	-107,010	-107,610	-107,010
	Renovations	-168,417	-120,417	-339,117	-55,117	-135,117
	Total Funding Available	-4,076,603	-3,899,903	-3,826,203	-4,340,503	-3,147,803
LESS EXPENDITURES:						
	Equip. & Technology	3,007,000	3,224,000	2,635,000	3,199,000	2,627,000
	Radio	-	111,000	-	1,427,000	354,000
	General Capital	655,000	214,000	107,000	107,000	107,000
	Renovations	110,000	120,000	339,000	55,000	135,000
	Total Expenditures	3,772,000	3,669,000	3,081,000	4,788,000	3,223,000
PROJECT CLOSURES / BUDGET ADJUSTMENTS:						
	Equip. & Technology	-	-	-	-	-
	Radio					
	General Capital					
	Renovations	-	-	-	-	-
	Total Adjustments	-	-	-	-	-
FORECASTED CLOSING BALANCE:						
	Equip. & Technology	-203,880	-229,580	-744,180	449,120	75,420
	Radio	-41,895	-895	-895	-895	-95
	General Capital	-410	-10	-10	-610	-10
	Renovations	-58,417	-417	-117	-117	-117
	Total Closing Balance	\$ (304,603)	\$ (230,903)	\$ (745,203)	\$ 447,497	\$ 75,197