

“PUBLIC AGENDA”

TO: Darlene Brander, Chairperson
Board of Police Commissioners

FROM: Troy Cooper
Chief of Police

DATE: 2018 October 03

SUBJECT: 2019 Preliminary Police Capital Budget Estimates

FILE #: 2017

ISSUE:

Attached are the 2019 preliminary capital budget estimates for the Saskatoon Police Service.

RECOMMENDATION:

That the Board reviews and approves the preliminary 2019 capital budget estimates and forwards to Saskatoon City Council for consideration and approval.

BACKGROUND:

The preliminary capital budget has been prepared based on a 5-year plan – 2019 – 2023.

DISCUSSION:

The \$3,102,900 capital budget is fully funded. A recommended increase of \$505,600 contribution to capital is included in the proposed 2019 Operating Budget.

2019 Capital Budget - Expenditure Type

Capital Replacement

Radio	30.6%	\$	949,000	
Equipment	22.9%		711,000	
Technology	18.7%		581,000	
Facilities	1.6%		50,000	
	73.8%	\$	2,291,000	\$ 2,291,000

Capital Expansion

Radio	0.0%	\$	-	
Equipment	3.4%		106,000	
Technology	10.8%		334,000	
Facilities	0.0%		-	
General	12.0%		371,900	
	26.2%	\$	811,900	\$ 811,900

100%		\$ 3,102,900
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A detailed list of capital expenditures is found on page 8 of the attachment.

“PUBLIC AGENDA”

Non-SPS Funded Proposed Capital Projects


There is one proposed project in the 2019 capital budget which is not intended to be financed by SPS reserves. This additional capital project totals \$51,000. The difference between the SPS funded capital projects and this project is, if funding is not secured from a third party, the project will fall off and not be completed or items proposed in future years may change.

CONCLUSION:

The proposed capital budget is fully funded with the disclosed proposed change to the 2019 Operating Budget.

Written by: Earl Warwick
Director of Finance

Approved by: Mitch Yuzdepski
Deputy Chief, Support Services

Submitted by: 
Troy Cooper
Chief of Police

Dated: 
Oct 10/18

Attachment: Capital Budget Narrative

Saskatoon Police Service



2019 CAPITAL BUDGET

2020 – 2023 CAPITAL PLAN

August 2018



Saskatoon Police Service
2019 Capital Budget 2020 – 2023 Capital Plan

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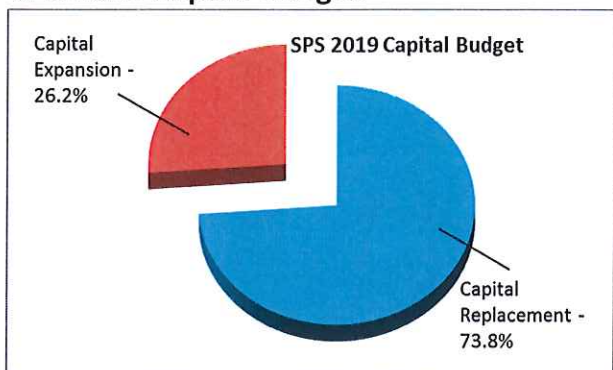
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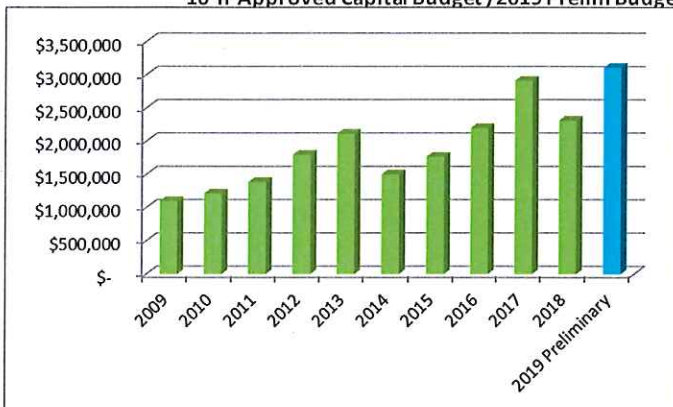
EXECUTIVE SUMMARY

2019 Total SPS Funded Capital Budget – 7 Projects \$3,102,900

SPS 2019 Capital Budget



10 Yr Approved Capital Budget / 2019 Prelim Budget



2019 Capital Budget - Expenditure Type			
Capital Replacement			
Radio	30.6%	\$ 949,000	
Equipment	22.9%	711,000	
Technology	18.7%	581,000	
Facilities	1.6%	50,000	
	73.8%	\$2,291,000	\$2,291,000
Capital Expansion			
Radio	0.0%	\$ -	
Equipment	3.4%	106,000	
Technology	10.8%	334,000	
Facilities	0.0%	-	
General	12.0%	371,900	
	26.2%	\$ 811,900	\$ 811,900
	100%		\$3,102,900

2019 Saskatoon Police Service (SPS) Capital Investments include seven projects totaling \$3,102,900 of which \$2,291,000 is targeted to address a number of asset replacement projects including \$949,000 related to radio replacements and \$711,000 for equipment replacements.

Planned capital expansion projects for 2019 total \$811,900 including \$334,000 for technology expansion, and \$371,900 for vehicle needs as well as \$106,000 for equipment expansion.

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



Funding Sources

All 2019 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 \$2,462,800.

The forecasted balance in capital reserves at the end of 2019 is as follows:

Equipment & Technology Reserve	\$ 86,559
Radio Reserve	\$ 39,048
General Capital Reserve (Includes Additional Vehicles)	\$ -407,821
Facility Renovations & Furniture Replacement Reserve	\$ 102,535
Total Forecasted Balance – All Capital Reserves	\$ -179,639

The General Capital Reserve will be in a negative balance, as approved by the Board and Council in 2017 related to the purchase of the SPS aircraft.

Operating Budget Impact

2019 projects will increase the 2019 Operating Budget by \$152,000 and the 2020 Operating Budget by \$38,700.

Non-SPS Funded Proposed Capital Projects

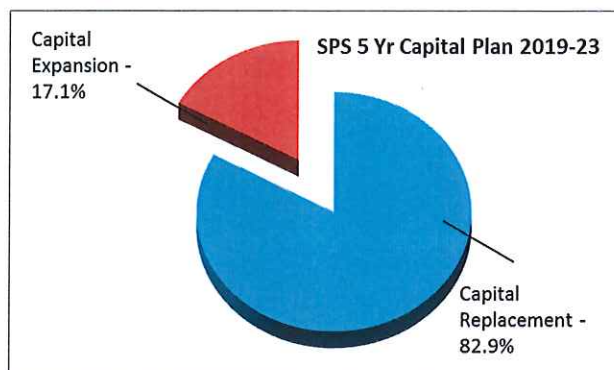
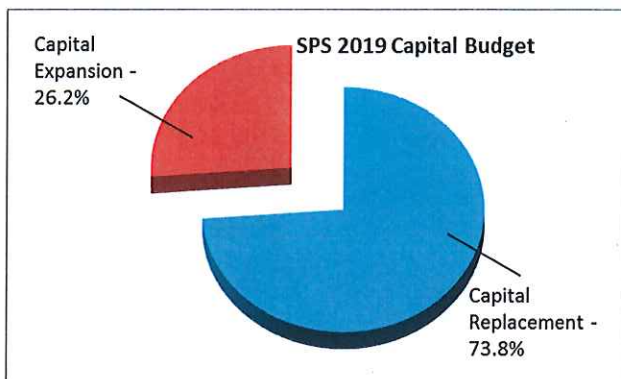
There is one proposed project in the 2019 Capital Budget which is not intended to be financed by SPS reserves. This additional capital project totals \$51,000. The difference between the SPS funded capital projects and this project is, if funding is not secured from an outside source, the project will fall off and not be completed. Please see the project below:

CAPITAL PROJECTS Not funded by Reserves	2019	2020
2498 Trace Scanner	51,000	-
	-	-
Total Police Projects - Not funded by Reserves	51,000	-



5 YEAR CAPITAL PLAN

1. Project Overview



2019 Capital Budget - Expenditure Type				2019 - 2023 Capital Budget/Plan - Expenditure Type			
Capital Replacement				Capital Replacement			
Radio	30.6%	\$	949,000	Radio	9.5%	\$	1,125,000
Equipment	22.9%		711,000	Equipment	21.0%		2,491,000
Technology	18.7%		581,000	Technology	50.4%		5,975,000
Facilities	1.6%		50,000	Facilities	2.1%		250,000
	73.8%	\$	2,291,000		82.9%	\$	9,841,000
			\$ 2,291,000				\$ 9,841,000
Capital Expansion				Capital Expansion			
Radio	0.0%	\$	-	Radio	0.0%	\$	-
Equipment	3.4%		106,000	Equipment	0.9%	\$	106,000
Technology	10.8%		334,000	Technology	7.3%		868,000
Facilities	0.0%		-	Facilities	0.0%		-
General	12.0%		371,900	General	8.9%		1,051,900
	26.2%	\$	811,900		17.1%	\$	2,025,900
			\$ 811,900				\$ 2,025,900
	100%		\$ 3,102,900		100%		\$ 11,866,900
			\$ 3,102,900				\$ 11,866,900

The most prominent trend for future capital spending relates to asset replacement. Radio, equipment and technology replacement over the five year planning period of 2019 to 2023 is projected to cost \$9.6 million (81%) of total capital spending.

Future capital expansion projects total \$2.0 million (17%) of total capital spending. Proposed key projects include the \$868,000 in technology expansion, and \$1.2 million related to vehicle and specialty equipment expansion.

2. Capital Funding

All projects in the five year capital plan are proposed to be funded from existing SPS capital reserves, except as otherwise noted.



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 2019 the total annual provision to the Police Equipment & Technology Capital Reserves will increase by \$505,600. The increased funding meets Board approved policy that calls for the annual provision to capital reserves to be equal to the ten year average project cash flow requirement.

Total Transfer to Reserves

Increased by \$505,600 from 2018, budgeted transfers to reserves in 2018 will total \$2,462,800.

• Equipment & Technology Reserve	\$1,826,200
• Radio Reserve	\$ 264,100
• General Capital Reserve (Additional Vehicles)	\$ 322,500
• Renovations Reserve	\$ 50,000
○ \$0 – Renovations	
○ \$50,000 - Furniture Replacement	
	<u>\$2,462,800</u>

The status of each reserve is summarized below. A table forecasting the sufficiency of reserves is provided later in this report on Page 10.

Equipment & Technology Reserve

The Equipment & Technology Reserve annual Operating Budget provision in 2019 is proposed to be \$1,826,200. 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 2019 a budget increase of \$550,300 is requested. This is funded partially by savings from previous year operating expenses (\$146,000), expenses that would have otherwise been operating expenses but were properly capitalized (\$260,800), reallocation from other capital contributions (\$106,000) and a net increase to contributions of \$37,500.



The balance in the reserve at the end of 2019 is projected to be \$86,599, which is an improvement over the forecast at this time last year. Deficits are projected for 2020-2023; however, commitment to future projects is still under review. Efforts will continue to prioritize capital projects and potentially 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 by an annual Operating Budget provision of \$264,100. This is a contribution decrease of \$9,000 versus 2018, which helped offset the Equipment and Technology contribution increase. Based on the current annual provision the balance in the reserve at the end of 2018 is projected to be \$39,048. Future projects to the end of the five year planning period of 2023 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 \$322,500 annually, which represents an increase of \$64,300 versus the contribution made to this reserve from operating in 2018. The increase in the contribution to this reserve is funded by savings from previous year operating expenses.

The balance in the Police General Capital Reserve at the end of 2019 is projected to be a deficit of \$407,821. The deficit was approved by the Board and Council related to the purchase of the SPS aircraft. The deficit is projected to 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. Current annual funding is set at \$0 for renovations and \$50,000 for furniture replacement. No renovation projects were identified this year so the contribution of \$100,000 was removed from this category to offset the equipment and technology reserve contribution increase.

The balance in the renovation portion of the reserve at the end of 2019 is projected to be \$102,535.

The balance in the furniture replacement portion of the facilities reserve at the end of 2019 is projected to be depleted with expenditures matching annual contributions into the reserve. In the future it is anticipated that this reserve will also stay balanced at net zero with expenditures matching annual contributions.



4. Capital Loans

The Police Service does not have any outstanding capital loans. Borrowing for the new headquarters building is dealt with as a Corporate loan.

2019 CAPITAL BUDGET / 2020 - 2023 CAPITAL PLAN

DRAFT #3	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	
POLICE CAPITAL RESERVE PROJECTS	2019 BUDGET	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2019-2023 Total

EQUIPMENT & TECHNOLOGY

P2497 EQUIPMENT REPLACEMENT	711,000	701,000	335,000	411,000	333,000	2,491,000
P2498 EQUIPMENT EXPANSION	106,000	-	-	-	-	106,000
P2499 TECHNOLOGY REPLACEMENT	581,000	1,551,000	1,973,000	825,000	1,045,000	5,975,000
P2610 TECHNOLOGY EXPANSION	334,000	167,000	141,000	116,000	110,000	868,000
Total Equipment & Technology	1,732,000	2,419,000	2,449,000	1,352,000	1,488,000	9,440,000

RADIO PROJECTS

P2119 RADIO	949,000	-	-	133,000	43,000	1,125,000
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GENERAL CAPITAL PROJECTS

P2389 GENERAL CAPITAL PROJECTS	371,900	170,000	170,000	170,000	170,000	1,051,900
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FACILITIES RENOVATIONS

FACILITIES RENOVATIONS						
2489 Furniture Replacement	50,000	50,000	50,000	50,000	50,000	250,000
Total Facility Renovations	50,000	50,000	50,000	50,000	50,000	250,000

Total Police Reserve Projects	3,102,900	2,639,000	2,669,000	1,705,000	1,751,000	11,866,900
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CAPITAL PROJECTS Not funded by Reserves						
2119 Radio Replacement - CTSS	-				63,000	63,000
2498 Trace Scanner	51,000					51,000
	-	-	-	-	-	-
Total Police Projects - Not funded by Reserves	51,000	-	-	-	63,000	114,000



SPS - 2019 CAPITAL RESERVE SUFFICIENCY FORECAST TABLE

Funding or room in reserves is represented as a credit, shown with brackets
Unbracketed numbers equal an expenditure or deficit in funding

Draft #3

	Yr 1		Yr 2		Yr 3		Yr 4		Yr 5	
	2018	2019	2020	2021	2022	2023				
OPENING BALANCE:										
Equip. & Technology	116,194	7,601	(86,599)	506,201	1,129,001	654,801				
Radio	(274,805)	(723,948)	(39,048)	(303,148)	(567,248)	(698,348)				
General Capital	543,621	358,421	407,821	255,321	102,821	(49,679)				
Renovations	(380,535)	(102,535)	(102,535)	(102,535)	(102,535)	(102,535)				
Total Opening Balance	4,475	(460,461)	179,639	355,839	562,039	(195,761)				
ADD ANNUAL PROVISION:										
Equip. & Technology	(1,275,900)	(1,826,200)	(1,826,200)	(1,826,200)	(1,826,200)	(1,887,500)				
Radio	(273,100)	(264,100)	(264,100)	(264,100)	(264,100)	(264,100)				
General Capital	(258,200)	(322,500)	(322,500)	(322,500)	(322,500)	(161,200)				
Renovations	(150,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)				
Total Annual Provision	(1,957,200)	(2,462,800)	(2,462,800)	(2,462,800)	(2,462,800)	(2,362,800)				
FUNDING AVAILABLE:										
Equip. & Technology	(1,159,706)	(1,818,599)	(1,912,799)	(1,319,999)	(697,199)	(1,232,699)				
Radio	(547,905)	(988,048)	(303,148)	(567,248)	(831,348)	(962,448)				
General Capital	285,421	35,921	85,321	(67,179)	(219,679)	(210,879)				
Renovations	(530,535)	(152,535)	(152,535)	(152,535)	(152,535)	(152,535)				
Total Funding Available	(1,952,725)	(2,923,261)	(2,283,161)	(2,106,961)	(1,900,761)	(2,558,561)				
LESS EXPENDITURES:										
Equip. & Technology	1,375,000	1,732,000	2,419,000	2,449,000	1,352,000	1,488,000				
Radio	318,000	949,000	-	-	133,000	43,000				
General Capital	180,000	371,900	170,000	170,000	170,000	170,000				
Renovations	435,000	50,000	50,000	50,000	50,000	50,000				
Total Expenditures	2,308,000	3,102,900	2,639,000	2,669,000	1,705,000	1,751,000				
PROJECT CLOSURES/ ADJUSTMENTS:										
Equip. & Technology	(207,693)									
Radio	(494,043)									
General Capital	(107,000)									
Renovations	(7,000)									
Total Adjustments	(815,736)									
FORECASTED CLOSING BALANCE:										
Equip. & Technology	7,601	(86,599)	506,201	1,129,001	654,801	255,301				
Radio	(723,948)	(39,048)	(303,148)	(567,248)	(698,348)	(919,448)				
General Capital	358,421	407,821	255,321	102,821	(49,679)	(40,879)				
Renovations	(102,535)	(102,535)	(102,535)	(102,535)	(102,535)	(102,535)				
Total Closing Balance	\$ (460,461)	\$ 179,639	\$ 355,839	\$ 562,039	\$ (195,761)	\$ (807,561)				