

November 29, 2023

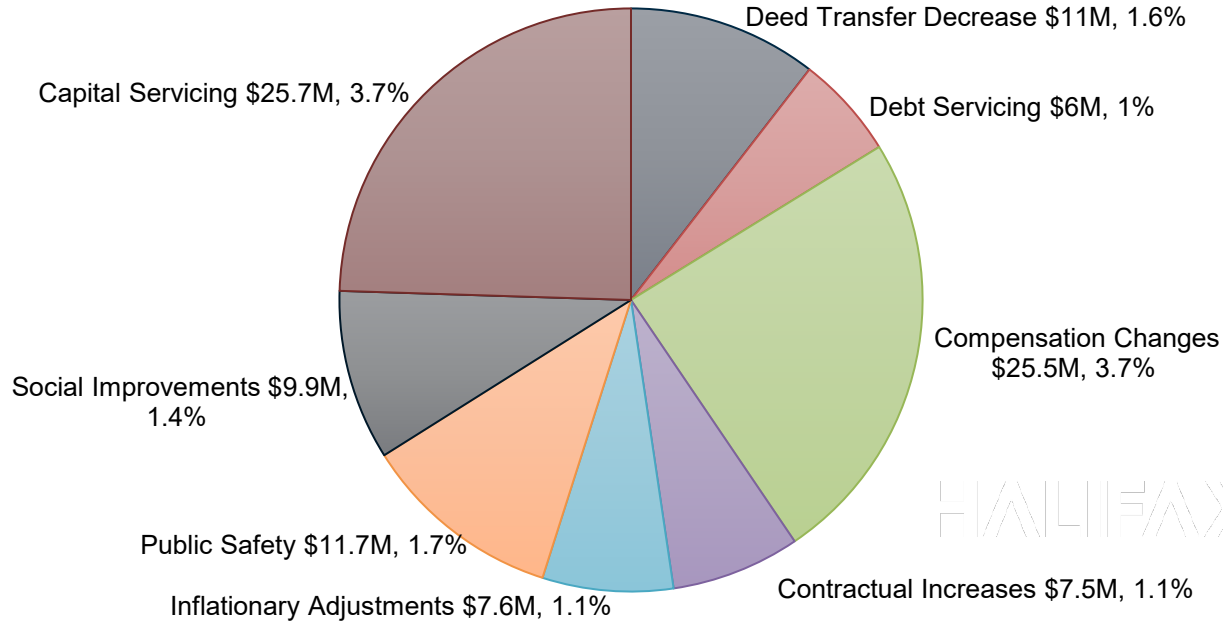
Re: Item 10.1.1

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2024/25 Budget Update

Board of Police Commissioners

\$105M Budget Shortfall



\$105M Budget Shortfall

5 Items are causing approximately 75% of the shortfall

- \$25.7M Restoring Cap-from-Op (total **\$86.1M**)
- \$25.5M Compensation
- \$11M Deed Transfer Tax decrease (total **\$65M**)
- \$7.5M Contractual increases
- \$6.0M Debt (P&I) costs increase

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These increases have been offset by a \$0.25 (\$900K) proposed increase to fares ²

Half of the \$105M shortfall is fixed

Non-controllable:

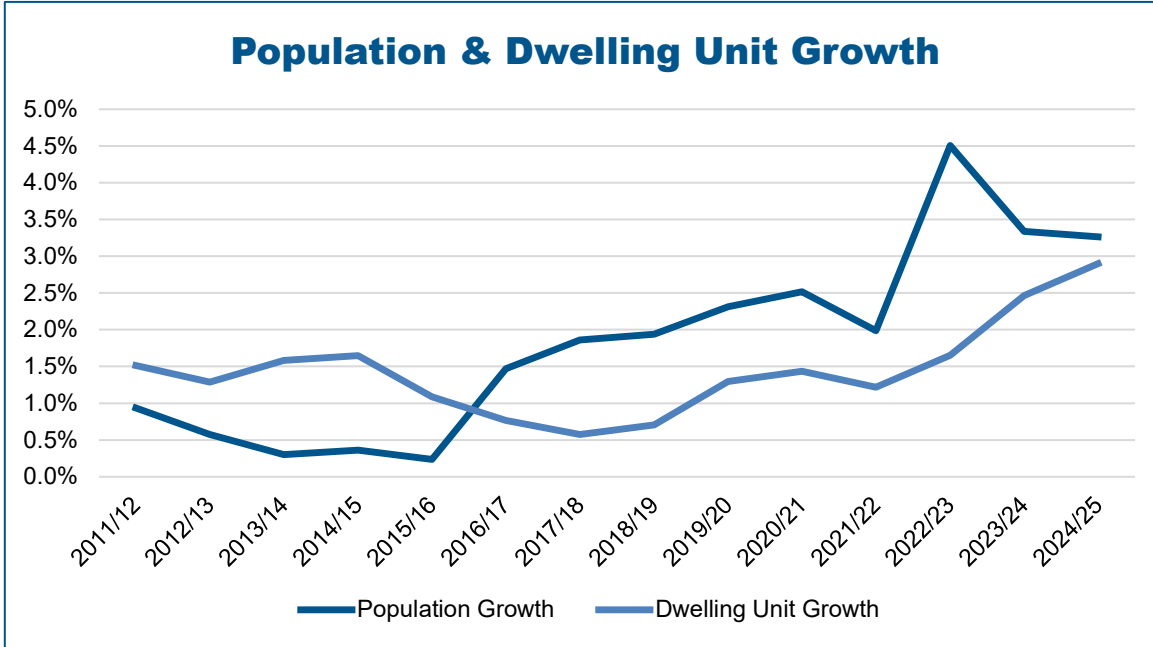
- \$25.5M Compensation changes
- \$11M Deed Transfer Tax Decrease
- \$7.5M Contractual
- \$7.6M Inflationary
- \$6.0M Debt servicing

Partially controllable:

- \$25.7M Cap/Op
- \$11.3M Public Safety
- \$9.9M Social Improvements

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Key Pressure - Population



Population sourced from StatCan & forecast provided by Canmac Economics

Population growth increasing pressure on infrastructure:

- Requirements for new infrastructure to service new development (greater than the municipality has the capacity to deliver currently)
- Additional pressure on existing infrastructure in the meantime



Key Pressures - Social

- \$2.6M Living Wage Adjustments
- \$2.4M MFTP & Transit Improvements
- \$1.0M Suburban Plan & Cultural Priorities
- \$1.3M Events & Other
- \$0.5M Micro Mobility Projects
- \$0.6M Non-Profit Redesign
- \$0.5M Increase to Affordable Access
- \$0.3M Library Collections

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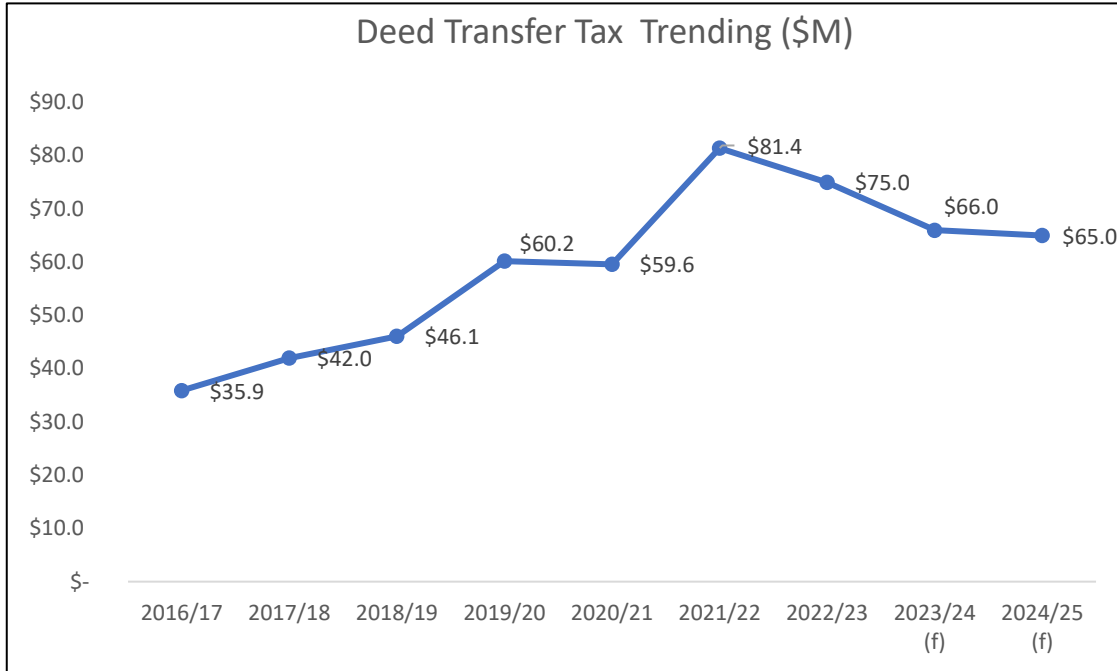
Key Pressures – Public Safety

- \$2.6M RCMP contractual costs
- \$1.4M HRP service enhancements (pending BoPC)
- \$1.3M New HRFE positions
- \$1.6M HRP & HRFE supplies & other non-comp costs
- \$1.5M Volunteer honorarium increase
- \$1.2M Fleet enhancements (24hr shifts & fire fleet)
- \$1.1M Public safety projects & food action plan
- \$0.9M New positions & related costs (crossing guards, safety positions, 24hr investigators and analysts)
- \$0.1M Various - security & site cleanup costs

Key Pressures – Inflationary

- \$2.8M Utility increases and buildings costs
- \$1.3M Transit pressures (repairs & maintenance)
- \$0.9M Fleet inflation (fuel consumption and R&M)
- \$0.7M Parks materials & building costs
- \$0.5M State of good repair in right-of-way
- \$0.6M Operating cost of capital
- \$0.8M Various increases across the organization

Deed Transfer Tax Decline



Deed Transfer Tax peaked in 2021/22 and will temperately stabilize at \$60M-\$65M

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2024/25 Forecast provided by Canmac Economics

Tax Increase Mitigation

To lower the tax increase from 15.2% to 9.7% the following funding adjustments were made:

- \$30M reduction to capital-from-operating by deviating from guidelines
- \$7M Throttling back funding to Strategic Initiative (SI) reserves