




HAMILTON POLICE SERVICE

RECOMMENDATION REPORT

TO:	Chair and Members Hamilton Police Services Board
BOARD MEETING DATE:	December 17, 2024
SUBJECT:	2025 Operating and Capital Budget
REPORT NUMBER:	24-105
SUBMITTED BY:	Frank Bergen, Chief of Police
SIGNATURE:	

RECOMMENDATIONS

That the Hamilton Police Service Board (Board):

1. Approve the proposed 2025 Hamilton Police Service (HPS) net operating and capital budget of \$227,075,420, representing a combined increase of \$12,252,775 or 5.70% over the approved 2024 HPS budget and detailed as follows:
 - a. Police Services Board \$1,034,523
 - b. Operating \$219,467,454
 - c. Capital \$6,573,443
2. Approve the following transfers from reserves totaling \$2,343,060 in 2025:
 - a. HPS Tax Stabilization Reserve (#104055) \$1,500,000
 - b. Vehicle Replacement Reserve (#110020) \$125,000
 - c. Capital Expenditures Reserve (#110065) \$718,060
3. Submit the 2025 Operating and Capital Budget to the City of Hamilton (the City) for inclusion in the City's annual budget and consideration by City Council.

EXECUTIVE SUMMARY

The proposed 2025 Operating and Capital Budget, totaling a net for levy requirement of \$227,075,420, includes the resources necessary to support adequate and effective policing pursuant to section 37(1) of the *Community Safety and Policing Act, 2019* (CSPA). The functions and standards for adequate and effective policing are regulated under the CSPA

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and informed by best practices developed within the policing industry in response to public safety concerns, as well as previous direction from the Board including the 2022 to 2026 Strategic Plan.

The proposed budget represents a net for levy increase of \$12,252,775, or 5.70%, over the approved 2024 Operating and Capital Budget. The budget increase reflects the additional investment required to:

- Sustain core services: Including obligatory and contractual costs related to collective agreements, employer and government provided benefits, utilities, insurance, legislated training, vehicle and facility maintenance, as well as Board approved staff complement changes.
- Respond to legislative requirements: Inclusive of the requirements to implement Next Generation 9-1-1 (NG911) technology, expansion of duties for Special Constables under the CSPA, and updated body armour for new CSPA Active Attacker legislation.
- Provide for Workplace Safety and Insurance Board (WSIB) pressures: Continuation of the phase-in strategy to address the budget shortfall for WSIB expenditures resulting from the introduction of presumptive post-traumatic stress disorder (PTSD) legislation.
- Invest in technology: Including the implementation of body-worn cameras and additional investment in cybersecurity and ransomware.
- Support the 2022 to 2026 Strategic Plan: Including the continuation of the projects and staff approved through the 2024 budget, as well as the addition of a Race & Identity-Based Analyst in the 2025 budget.

Development of the 2025 Operating and Capital Budget began internally in March 2024 and included an environmental scan to identify any potential expenditure pressures, emerging best practices in policing and opportunities for efficiencies. Additionally, an internal scan of existing resources was conducted, including a line-by-line program budget review of submissions, including historical spending patterns and cash flow requirements, identifying pressures from workload demand and consideration for strategies to provide more efficient service delivery.

In alignment with the Mayoral Directive, HPS Senior Command performed comprehensive reviews of budget submissions and identified \$11,659,205 in efficiencies that have been incorporated in the proposed budget. The HPS is committed to continuously search for innovative and fiscally responsible approaches to better provide services to the community and to the efficient use of resources.

Senior Command recommends transferring \$2,343,060 from reserves to alleviate the budget pressure in 2025 in recognition of the economic challenges residents are currently facing and the ongoing affordability crisis. This includes a three-year plan that utilizes the Tax Stabilization Reserve to phase in the inflationary impacts of collective agreements. This

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strategy is in line with the intended use of the Operating Budget Surplus (Deficit) Retention Policy and demonstrates prudent financial management and effective use of prior year surpluses.

The Board’s Budget Committee met four times to deliberate on the 2025 Operating and Capital Budget. Complete HPS 2025 Operating and Capital Budget materials were disseminated to Budget Committee and discussed in detail on October 29, 2024 and final presentation of the proposed budget occurred on November 26, 2024 where alternatives to the proposed budget were considered. This report reflects the budget as recommended by the Board’s Budget Committee.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

The proposed 2025 Operating and Capital Budget represents a combined increase of \$12,252,775, or 5.70% over the approved 2024 combined budget as illustrated in Table 1.

**TABLE 1
2025 Operating and Capital Budget Summary**

HAMILTON POLICE SERVICE	Total Budget		Net Levy Impact	
	2024	2025	(\$)	(%)*
Police Services Board	759,007	1,034,523	275,516	0.13%
Police Operations	201,899,863	219,467,454	17,567,591	8.18%
Subtotal Operating Budget	202,658,870	220,501,977	17,843,107	8.31%
Capital Budget	12,163,775	6,573,443	(5,590,332)	(2.60%)
Total	214,822,645	227,075,420	12,252,775	5.70%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

Staffing:

Table 2 provides the breakdown of the current authorized full-time equivalent (FTE) positions and the additional positions proposed through the 2025 Operating and Capital Budget.

**TABLE 2
Hamilton Police Service Staff Complement (FTE)**

HAMILTON POLICE SERVICE	Total		New Proposed	
	Current	2025	(FTE)	(%)
Sworn	899	912	13	1.45%
Civilian	362	389	27	7.46%
Total	1,261	1,301	40	3.17%

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Additional staffing proposed through the 2025 budget have been previously approved by the Board or are in support of the Board approved 2022-2026 Strategic Plan and ten-year human capital deployment strategy to maintain the ratio of officers to population. The following forty (40) FTE additions (twenty-seven (27) civilian and thirteen (13) sworn officers) are reflected in the 2025 budget:

- Sixteen (16) Special Constables as approved through Report PSB24-088
- Five (5) Civilian Digital Evidence Management (DEM) Clerks and one (1) Desktop and Mobile Support Technician as approved through Report PSB24-031(a)
- Four (4) Civilian Communications Supervisors (NG911 – Legislative Requirements)
- One (1) Civilian Race and Identity-Based Analyst to support the Board's Strategic Plan
- Thirteen (13) Sworn Officers – Ten-Year Human Capital Deployment Strategy

Legal Implications:

Police services in Ontario are governed and legislatively mandated to comply with the *CSPA*. Under *Section 37(1)* of the *CSPA*, every municipality is responsible for providing adequate and effective policing services, defined in *Section 11(1)* as the following functions provided in accordance with the standards set out in the regulations:

- Crime prevention
- Law enforcement
- Maintaining public peace
- Emergency response
- Assistance to victims of crime
- Any other prescribed policing functions

As detailed in the *CSPA*, adequate and effective policing does not include the enforcement of municipal or First Nation by-laws. At its discretion, a police service board or the Commissioner may provide policing or other services that exceed the standards for adequate and effective policing, including providing the enforcement of by-laws.

Section 50(1) and *50(2)* of the *CSPA*, states that the municipality is responsible for providing sufficient funding to comply with the Act and regulations and pay for the expenses of the board's operation, other than the remuneration of board members, and that the board is responsible for submitting the estimates to the municipality. The recommendations within this report would fulfil the Board's obligations under the *CSPA* in relation to the annual budget.

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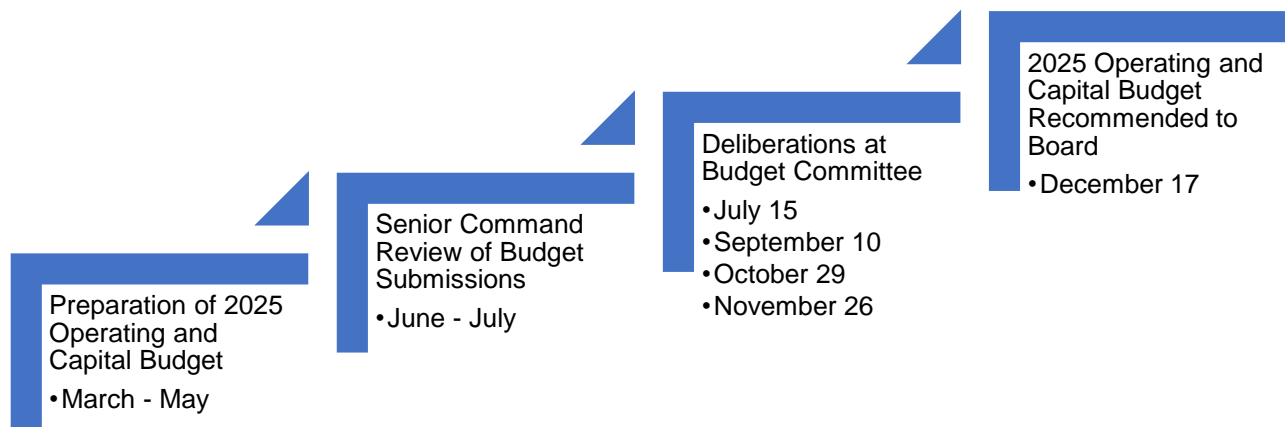
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INFORMATION

2025 Operating and Capital Budget Summary

In accordance with the CSPA, the Board is required to approve an annual budget to provide the funding necessary for police service operations and submit its request to the City for consideration. The 2025 Operating and Capital Budget process, illustrated in Figure 1, began internally in March 2024 and included an environmental scan, as well as an internal review of budget submissions by Senior Command that was in alignment with the Mayoral Directive to staff (MDI-2024-03). The Board's Budget Committee met on four occasions to deliberate on the budget, which included discussion and consideration of alternative options, with the proposed option being recommended through this report.

FIGURE 1
2025 Budget Process



Throughout the process, expense and revenue estimates were refined as better information became available. Senior Command continued to review the annual budget for efficiencies and other opportunities to balance the community's demand for service and the financial impact of the budget, in consideration of current economic challenges and the ongoing affordability crisis. Reductions and efficiencies presented in the 2025 Operating and Capital Budget are detailed in the "2025 Operating and Capital Budget Detail – F. Revenues and Efficiencies" section of this report and other options considered are provided under "Alternatives for Consideration".

The proposed 2025 Operating and Capital Budget is in alignment with the Board's 2022 to 2026 Strategic Plan and establishes the resources for the successful execution of the Service's strategic priorities, while balancing increasing demand for service in the community with affordability concerns. The proposed budget represents a net for levy

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impact of \$227,075,420, an increase of \$12,252,775, or 5.70%, over the approved 2024 budget as detailed in Table 3.

TABLE 3
2025 Operating and Capital Budget by Category

HAMILTON POLICE SERVICE	Total Budget		Net Levy Impact	
	2024	2025	(\$)	%*
Employee Related Costs	194,751,062	215,524,426	20,773,364	9.67%
Financial	2,322,117	1,022,529	(1,299,588)	(0.60%)
Materials & Supplies	7,795,224	10,965,051	3,169,827	1.48%
Vehicle Expenses	2,311,000	2,558,890	247,890	0.12%
Building & Grounds	3,219,126	3,228,126	9,000	0.00%
Consulting, Contractual & Agencies	2,031,116	2,426,237	395,121	0.18%
Cost Allocations	5,087,721	5,190,157	102,436	0.05%
Operating Expenditures	217,517,366	240,915,416	23,398,050	10.89%
Grants & Subsidies	(9,260,782)	(9,980,714)	(719,932)	(0.34%)
Fees & General Revenues	(2,606,247)	(2,776,427)	(170,180)	(0.08%)
Reserves & Recoveries	(2,991,467)	(7,656,298)	(4,664,831)	(2.17%)
Operating Revenues	(14,858,496)	(20,413,439)	(5,554,943)	(2.59%)
Net Operating Budget	202,658,870	220,501,977	17,843,107	8.31%
Capital Expenditures	12,463,775	7,416,503	(5,047,272)	(2.35%)
Capital Reserves	(300,000)	(843,060)	(543,060)	(0.25%)
Net Capital Budget	12,163,775	6,573,443	(5,590,332)	(2.60%)
2025 Budget	214,822,645	227,075,420	12,252,775	5.70%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

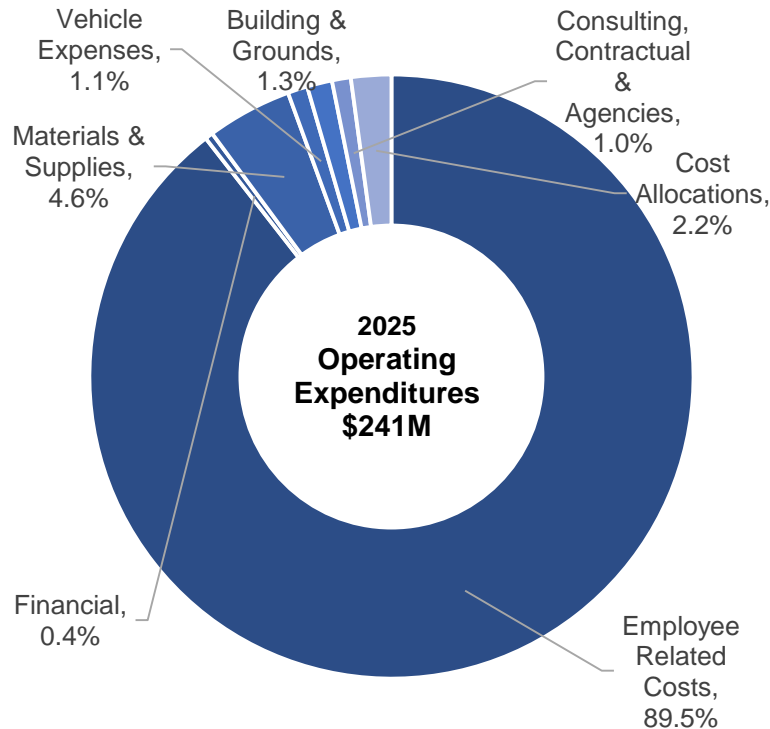
Due to the nature of policing, employee related costs represent 90% of all operating expenditures for the HPS. As such, contractual obligations under collective agreements, as well as government benefits for employees, make up most of the year-to-year budget pressure. Figure 2 provides the breakdown of the 2025 Operating Budget by category.

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FIGURE 2
Category Share of 2025 Operating Expenditures



In addition to the obligatory pressures related to collective agreements, the budget reflects contractual obligations for building maintenance, utilities, software subscriptions and contracted services that experience year-to-year inflation. Through the 2025 budget, cost estimates must also account for the growth of the municipality, not just in terms of population but in the demand for service and emerging trends in the community. As a result, most of the 2025 budget increase is dedicated towards sustaining core services.

Beyond providing for the services expected by the community, the 2025 budget also accounts for changes in legislated requirements related to the CSPA, the growing financial pressures of WSIB, investments in technology including the modernization of systems, and advancing the Board’s 2022 to 2026 Strategic Plan. After factoring in the obligatory pressures and strategic investments for the HPS, the initial outlook for the 2025 Operating and Capital Budget was an increase of \$23,911,980, or 11.13%. Recognizing the challenges facing the community and the HPS’s commitment towards sustainable financial planning and effective use of resources, Senior Command reviewed all budget submissions and identified options to reduce the budget pressure by \$11,659,205 to \$12,252,775 or 5.70%.

The proposed 2025 Operating and Capital Budget recommends incorporating the actions taken by Senior Command in review of budget submissions, summarized in Table 4, that

include adjustments to program budgets based on trends, updates to budget submissions based on cash requirements, timing of investments, cost recovery for shared services and utilization of reserves.

TABLE 4
Senior Command Recommended Efficiencies

HAMILTON POLICE SERVICE	Total Budget		Net Levy Impact	
	2024	2025	(\$)	%*
Operating Budget Submissions	202,658,870	232,384,557	29,725,687	13.84%
Capital Budget Submissions	12,163,775	9,864,923	(2,298,852)	(1.07%)
Subtotal Submissions	214,822,645	242,249,480	27,426,835	12.77%
Senior Command Review Operating		(5,860,749)	(5,860,749)	(2.73%)
Senior Command Review Capital		(2,748,420)	(2,748,420)	(1.28%)
Cost Recovery		(5,098,698)	(5,098,698)	(2.37%)
Reserves		(1,466,193)	(1,466,193)	(0.68%)
Subtotal Efficiencies		(15,174,060)	(15,174,060)	(7.06%)
Total Budget	214,822,645	227,075,420	12,252,775	5.70%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

This recommended option effectively utilizes the HPS Tax Stabilization Reserve in accordance with the Mayoral Directive and as intended through the Operating Budget Surplus / Deficits Policy (PSB15-059). Surplus amounts accumulated over the past few years are recommended to be drawn on (\$1,500,000 in 2025 and \$2,000,000 in 2026) to phase-in collective agreement impacts over the multi-year planning period. Additionally, the proposed budget recommends drawing on the Capital Expenditures Reserve to fund capital investments while maintaining sufficient balance moving forward to manage unforeseen events and to recover operating costs in accordance with the City’s Cost Allocation Policy.

2025 Operating Budget Summary

The proposed 2025 Operating Budget, as broken down in Appendix A and summarized in Table 5, is a net for levy amount of \$220,501,977, representing a \$17,843,107, or 8.31%, increase over the 2024 net for levy amount inclusive of the Police Services Board budget.

TABLE 5
2025 Operating Budget by Department

HAMILTON POLICE SERVICE	Total Budget		Net Levy Impact	
	2024	2025	(\$)	%*
Expenditures				
Police Service Board	759,007	1,034,523	275,516	0.13%
Office of the Chief	7,932,055	8,994,008	1,061,953	0.49%
Police Operations	118,170,394	126,658,526	8,488,131	3.95%
Police Support	77,490,883	91,711,806	14,220,923	6.62%
Unallocated Expense	13,165,027	12,516,553	(648,474)	(0.30%)

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HAMILTON POLICE SERVICE	Total Budget		Net Levy Impact	
	2024	2025	(\$)	%*
Subtotal Expenditures	217,517,366	240,915,416	23,398,050	10.89%
Revenues				
Grants & Subsidies	(9,260,782)	(9,980,714)	(719,932)	(0.34%)
Fees & General Revenues	(2,606,247)	(2,776,427)	(170,180)	(0.08%)
Reserves & Recoveries	(2,991,467)	(7,656,298)	(4,664,831)	(2.17%)
Operating Revenues	(14,858,496)	(20,413,439)	(5,554,943)	(2.59%)
Net Operating Budget	202,658,870	220,501,977	17,843,107	8.31%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

2025 Capital Budget Summary

The proposed 2025 net capital budget is \$6,573,443, which represents a \$5,590,332 decrease, or 2.60% (broken down in Appendix B), from the 2024 approved budget and reflects the capital plan approved by the Board through Report PSB24-090 with the following adjustments:

- Marine vessel replacement for \$550,000 adjusted from 2025 to 2026 to reflect expectations on timing of cash flows and expected replacement.
- Virtual reality training equipment adjusted from \$350,000 in 2025 to \$175,000 in 2025 and \$175,000 in 2026 based on expected timing of implementation and cash outlay.
- The leasehold improvements to the Provincial Offences Act Courthouse project for \$1,033,320 in 2025 has been removed from the ten-year capital plan. Responsibility for maintenance and upkeep of the facility lies with the Ministry of the Attorney General of Ontario – staff will pursue funding options through that agency to complete the work.
- Inclusion of the \$2,536,000 budget for annual vehicle replacement approved by the Board through Report PSB24-093.
- Inclusion of an additional \$1,441,443 for Information Technology and \$400,000 for Small Equipment Replacement for annual lifecycle replacement of servers, computers, hardware, body armours and other small equipment in alignment with the HPS Asset Management Plan.

The HPS adheres to the City’s policy and practice for capital expenditures, which is defined as any capital asset greater than \$50,000 with an estimated useful life greater than one (1) year. The proposed 2025 capital budget includes lifecycle replacement and growth requests for fleet, information technology hardware, facilities and small equipment in adherence with the HPS Asset Management Plan.

The 2025 Capital Budget is summarized in Table 6 and the 2025 to 2034 Capital Plan as amended is attached as Appendix E.

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TABLE 6
2025 Capital Budget by Project

HAMILTON POLICE SERVICE	Capital Expenditure Budget	Funding Sources			Net for Levy
		Capital Expenditure Reserve	Vehicle Replacement Reserve	Total Reserves	
CSPA Active Attacker Equipment - Hard Body Armours	2,000,000			-	2,000,000
Virtual Reality Training Equipment	175,000			-	175,000
Bail Court Refurbishment	75,000			-	75,000
Custody Area Reinstatement	50,000			-	50,000
Reseal Concrete Floors	21,000			-	21,000
9MM Conversion (Glock Program)	183,060	(183,060)		(183,060)	-
Ransomware Storage	335,000	(335,000)		(335,000)	-
HPS Website Redesign	100,000	(100,000)		(100,000)	-
Online Reporting Platform Replacement & Upgrade	100,000	(100,000)		(100,000)	-
Small Equipment Replacement	400,000			-	400,000
Police Vehicle Replacement	2,536,000		(125,000)	(125,000)	2,411,000
Information Technology	1,441,443			-	1,441,443
2025 Capital Budget	7,416,503	(718,060)	(125,000)	(843,060)	6,573,443

Under Section 50(1) of the CSPA, the municipality is responsible for providing sufficient funding to comply with the Act and regulations and pay the expenses of the board's operations, other than remuneration of board members. As such, through Report PSB24-090, the Board approved that the projects included in Table 7, totaling \$2,321,000, or 1.08%, be forwarded to the City for consideration of financing within the City's 2025-2034 Capital Financing Plan.

TABLE 7
2025 Capital Budget – Items for City of Hamilton Funding Consideration

HAMILTON POLICE SERVICE	Net Levy Impact	
	\$	%*
CSPA Active Attacker Equipment - Hard Body Armours	2,000,000	0.93%
Virtual Reality Training Equipment	175,000	0.08%
Bail Court Refurbishment	75,000	0.03%
Custody Area Reinstatement	50,000	0.02%

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HAMILTON POLICE SERVICE	Net Levy Impact	
	\$	%*
Reseal Concrete Floors	21,000	0.01%
2025 Capital Budget - CSPA Section 50(1) Items	2,321,000	1.08%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

2025 Operating and Capital Budget Detail

The proposed 2025 Operating and Capital Budget is a combined total net levy requirement of \$227,075,420 and represents an additional investment of \$12,252,775, or 5.70%, broken down under the below themes and detailed in the proceeding sections:

- A. Sustaining Core Services
- B. Legislative Requirements
- C. WSIB Pressures
- D. Technology Investments
- E. Supporting the Board’s Strategic Plan
- F. Revenues and Efficiencies

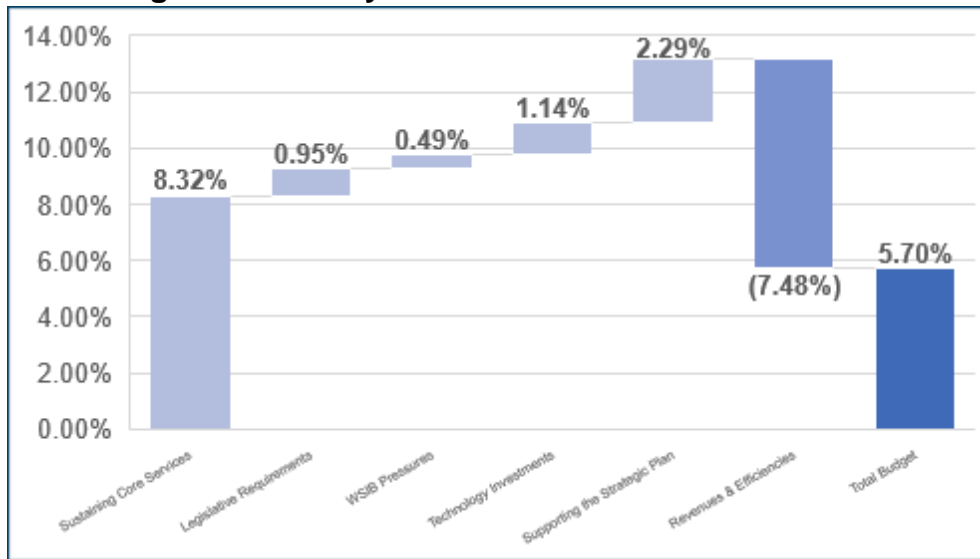
Table 8 and Figure 3 provide a summary of the 2025 Operating and Capital Budget by investment category.

TABLE 8
2025 Operating and Capital Budget by Investment

HAMILTON POLICE SERVICE	Total Budget		Net Levy Impact	
	2024 (\$)	2025 (\$)	(\$)	(%)*
Sustaining Core Services			17,863,849	8.32%
Legislative Requirements			2,036,395	0.95%
WSIB Pressures			1,057,000	0.49%
Technology Investments			2,443,539	1.14%
Supporting the Strategic Plan			4,916,164	2.29%
Revenues & Efficiencies			(16,064,172)	(7.48%)
Total Budget	214,822,645	227,075,420	12,252,775	5.70%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

FIGURE 3
2025 Budget Increase by Investment



A. Sustaining Core Services

Sustaining core services accounts for \$17,863,849 or an 8.32% increase. Included within this category is the bulk of employee-related expenses, which amount to approximately 90% of the gross operating budget. Employee-related expenses represent the most significant budget pressure each year and are mainly related to the HPS obligations under the collective bargaining agreements. Table 9 provides a summary of investments in Sustaining Core Services in the 2025 budget.

TABLE 9
2025 Budget – Schedule of Sustaining Core Services

Description	Increase (Decrease)	
	(\$)	(%)*
Collective Agreement Wage Settlements	10,582,176	4.93%
Statutory Deductions and Employer Benefits	3,550,855	1.65%
Annualization of 2024 Approved Budget	1,212,989	0.56%
Approved WSIB Backfills	2,246,763	1.05%
10-Year Human Capital Deployment Strategy	468,495	0.22%
Other	(197,430)	(0.09%)
Total Sustaining Core Services	17,863,849	8.32%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

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The following are the major contributors to the increase in this category:

- Collective agreement salary adjustment, performance pay, salary step/grade progressions, service pay, overtime, merit and job evaluation increases. An estimated percentage increase is used to reflect the contractual increase for the 2025 budget based on Collective Agreements negotiated during 2024 and prior within the “Ontario Big 12 Police Services” comparator group.
- Employer provided and statutory benefits (i.e. pension, health and dental benefits, life insurance, Employment Insurance (EI) and Canada Pension Plan (CPP)), as well as retiree benefits, reflect an average year-over-year increase of 10% mainly due to inflationary pressures for health and dental product and service pricing and an increase in member claims and benefits usage. The combined impact of employer provided and statutory benefits represents a pressure of \$3,550,855 or 1.65% on the 2025 budget.
- An additional \$1,212,989, or 0.56%, has been included in the 2025 budget to reflect the annualization of thirteen (13) Sworn Officers approved through the 2024 budget. The increase to the 2025 budget represents the remaining compensation costs required to fund these positions for a full year.
- Through Board Reports 23-070, 23-070(a), 23-111, 24-049 and 24-075, the Board approved a total of fifty-five (55) backfills, which consists of forty-nine (49) Sworn and six (6) Civilian members. This will provide much-needed staffing support for any Sworn or Civilian members on WSIB leave for five (5) years or more and no prospective date to return to work. The salary and benefits of the backfills increase the 2025 budget by \$2,246,763, or 1.05%. Annualization of these positions represents an additional pressure of \$4,161,099 on the 2026 budget.
- The budget reflects an additional thirteen (13) 4th Class Constables in 2025, with an effective start date of September 2025 – an impact of 0.22%. These represent the 2025 cohort of the Board’s 10-year Human Capital Deployment Strategy to ensure that the number of Police Officers increases commensurate to the expected population growth in the City. Annualization of these positions represents an additional pressure of \$936,991 on the 2026 budget.
- Other expenses in this category represent a net reduction of \$313,400, or 0.15%, and are comprised of capital expenditures for core operations such as fleet acquisition and maintenance, legislated training and development, building and grounds maintenance, utility costs and other contractual obligations.

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B. Legislative Requirements

TABLE 10
2025 Budget – Schedule of Legislative Requirements

Description	Increase (Decrease)	
	(\$)	(%)*
NG911 Implementation	641,752	0.30%
CSPA Legislation Impacting Special Constables	650,925	0.30%
CSPA Legislation - Hard Body Armour	950,000	0.44%
Other	(206,282)	(0.10%)
Total Legislative Requirements	2,036,395	0.95%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

The Canadian Radio-television and Telecommunications Commission (CRTC) mandated that all telephone companies update the network to provide NG911 service to all Canadians, with full project completion by March 2025. HPS Communications Branch is the primary Public Safety Answering Point (PSAP) for all emergency 9-1-1 calls across the City. The City commissioned Federal Engineering, an external consultant, to study the current environment, monitor CRTC and other legislative requirements and provide guidance and recommendations to implement NG911, including staffing requirements.

This review of the Service's Communications Branch staffing levels concluded that it was not sufficient to meet increasing calls for service or the additional demands that new technology, case law, and Ministry requirements place on Communications Operators. Based on this review, the HPS began a three-year staffing increase in 2022 to support the increasing workload and challenges with the implementation of the NG911 upgrade. The three-year plan included eight (8) Communications Operators in 2023, four (4) Communications Operators in 2024 and four (4) Communications Supervisors in 2025 and are reflected in the 2025 Operating and Capital Budget with a \$650,925 impact in 2025 and a subsequent impact of \$414,103 impact in 2026.

Through Board Report PSB24-088, Hiring of Full-Time Special Constables, the Board approved the addition of sixteen (16) full-time Special Constables. As detailed in the report, the CSPA updated the provisions in the Act to allow for Special Constables to be designated with additional powers and authorities.

Special Constables can now exercise duties under the Highway Traffic Act s. 134, Liquor Licence and Control Act, Trespass to Property Act and provide custodial care under the Mental Health Act. In addition, Special Constables can now be used to provide security at crime scenes, assist with road closures, transport property, collect, tag and process lost/found property, controlled substances and weapons, provide a visible presence in the community and assist with other administrative tasks as directed. The utilization of the additional Special Constables will help alleviate front-line pressures for Sworn Officers to focus on their core mandate. Additional costs of \$650,925 have been included

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in the 2025 budget for the sixteen Special Constables and a subsequent impact of \$1,301,850 is included in the 2026 budget.

At its meeting on November 28, 2024, the Board approved the incremental budget of \$2,000,000 for the purchase of the Level III Body Armour System to comply with the new CSPA Active Attacker legislation by April 1, 2025. The \$2,000,000 is in addition to the \$1,050,000 approved through the 2024 budget, representing an additional pressure of \$950,000 year-over-year.

C. WSIB Pressure

Ever since the introduction of presumptive post-traumatic stress disorder (PTSD) legislation for first responders in 2016, the HPS has experienced significantly higher WSIB costs resulting in an increased level of both workplace and non-workplace related leaves. In 2025, there is a \$1,057,300 pressure for year two of the revised three-year phase-in strategy that was approved through the City’s 2024 budget. The three-year phase-in strategy is detailed in Table 11, which outlines the planned draws from the City’s WSIB Reserve until the entire budget shortfall related to WSIB is captured in the 2026 HPS base budget.

**TABLE 11
WSIB Phase-In Strategy (2024-2026)**

	2024	2025	2026
WSIB Payments	\$5,933,023	\$5,933,023	\$5,933,023
Contribution from City’s WSIB Reserve	(2,114,600)	(1,057,300)	-
Net WSIB Budget	\$3,818,423	\$4,875,723	%5,933,023
Budget Impact (\$)	\$1,057,323	\$1,057,300	\$1,057,300
Budget Impact (%)*	0.55%	0.49%	0.48%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

D. Technology Investments

Through Report PSB24-031a, the Board approved the acquisition of five-hundred (500) body-worn cameras (BWC) and the seven (7) necessary support staff to implement BWC technology for front-line officers. As detailed in the report, the additional costs included in the 2025 budget are \$1,970,000, which include the ongoing licensing fees for the equipment, staffing and one-time hardware costs, as well as an incremental investment of \$1,930,000 over the multi-year budget (2026-2029) as the program is implemented.

Other investments in this category are largely comprised of enhancements to the cybersecurity program and ransomware protection to proactively minimize risk to the Service.

TABLE 12
2025 Budget – Schedule of Investments in Technology

Description	2025 Budget	
	(\$)	(%)*
Body-Worn Cameras		
Hardware Licensing	1,200,000	0.56%
Staffing	730,000	0.34%
One-Time Equipment	40,000	0.02%
Subtotal Body-Worn Cameras	1,970,000	0.92%
Other	473,539	0.22%
Total Investments in Technology	2,443,539	1.14%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

E. Supporting the Board’s Strategic Plan

Every four (4) years, Police Services across Ontario are required to develop a Strategic Plan. This work is an important part of the Board’s governance as the Strategic Plan establishes goals, priorities, and the direction of the HPS. A total of forty-five (45) actionable projects were identified, which are designed to move the HPS forward. The strategic roadmap for 2023-2026 is anchored in five (5) essential priorities with nine (9) key objectives.

Priorities	Objectives
Community Safety	Reduce Crime Severity Increase Public Perception of Safety Decrease Victimization/Re-Offence Rate
Collaborative Engagement	Enhance Community Engagement
Culture and Capacity	Improve Member Engagement Succession Planning Service Delivery Strategy
Core Assets	Commitment to Modernization & Member Satisfaction
Trusting Change	Community Satisfaction

The 2025 budget includes the addition of one (1) civilian staff position (a Race & Identity-Based Data Analyst), as well as the annualization of the nine (9) positions that were approved through the 2024 budget, to support the implementation of the Strategic Plan. A breakdown of the costs related to the Strategic Plan in 2025 is outlined in Table 13.

In August 2023, City Council voted unanimously to declare intimate partner violence (IPV) an epidemic. To bring awareness to the rising issue, assist victims and offer support to those in abusive relationships, HPS plans to implement an IPV Unit with a report to be presented to the Board in the first quarter of 2025. An IPV Unit will serve to provide the appropriate care and attention to victims, as well as reduce the workload on

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frontline officers. The estimated cost of \$3,514,855 has been included in the 2026 multi-year budget, reflective of the estimated time to implement and staff the unit.

TABLE 13
2025 Budget – Schedule of Supporting the Board’s Strategic Plan

Description	Increase	
	(\$)	(%)*
Annualization of 2024 Approved Budget	781,327	0.36%
Additional Staff:		
(1) Risk and Identity-Based Data Analyst	48,721	0.02%
Intimate Partner Violence Unit (implementation in 2026)	\$3,514,855	1.64%
Facilities Upgrades & Security	307,000	0.14%
Deployment of Mobile Phones	162,000	0.08%
Training	80,000	0.04%
Other	22,261	0.01%
Total	4,916,164	2.29%

*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

F. Revenues and Efficiencies

Funding received by the HPS from third-party agencies, for participation in provincial grant programs, and funding related to secondment initiative positions, help offset gross expenditures. This funding makes up \$9,980,714 in 2025. Fees and general revenues are collected related to special duty and services related to employment and volunteer background checks. For the 2025 budget, HPS anticipates a gross revenue increase of \$890,102, which reduces the overall budget position by (0.41)%.

In addition to revenues, Senior Command performed comprehensive reviews of budget submissions and identified \$8,609,169 in efficiencies that have been incorporated in the 2025 budget, as well as transferring an additional \$1,466,193 from reserves in accordance with the Mayoral Directive. The budget also reflects a recovery of \$5,098,698 for the operation of the Public Safety Answering Point (PSAP). A schedule of revenues and efficiencies is detailed in Table 14.

TABLE 14
2025 Budget – Schedule of Revenues and Efficiencies

	Gross Budget		Budget Impact	
	2024 (\$)	2025 (\$)	\$	%*
Grants and Subsidies	(9,260,782)	(9,980,714)	(719,932)	(0.34%)
Fees and General Revenue	(2,606,247)	(2,776,427)	(170,180)	(0.08%)
Subtotal Revenues	(11,867,029)	(12,757,141)	(890,112)	(0.41%)
Reserves & Recoveries	(876,867)	(7,441,758)	(6,564,891)	(3.06%)
Efficiencies		(8,609,169)	(8,609,169)	(4.01%)
Subtotal Reserves & Efficiencies	(876,867)	(16,050,927)	(15,174,060)	(7.06%)
Total	(12,743,896)	(28,808,068)	(16,064,172)	(7.48%)

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*Note: Represents the percentage change over the approved 2024 combined net levy, anomalies due to rounding.

The HPS Communications Branch currently manages the PSAP for all 9-1-1 calls for the City. HPS Communications downstream dispatch calls for the Hamilton Paramedic Service and the Hamilton Fire Department. Other jurisdictions have entered into a Service Agreement in which the Police Service administers the PSAP on the municipality’s behalf.

Under the Public Emergency Reporting Service Agreement between the City and Bell Canada, the municipality agrees to provide, operate and manage the personnel and equipment required to receive and process all emergency calls directed to the Central Emergency Reporting Bureau. The municipality is responsible for coordinating participation of remote agencies (Police, Fire and Paramedics) in the 9-1-1 serving area.

In alignment with the City’s Cost Allocation Methodology, the HPS will begin to chargeback the operating costs of the PSAP in 2025 to best reflect the resourcing decisions under the appropriate governing body and to provide consistency across other Police Services for financial reporting. The annual cost allocation for the PSAP of \$5,098,698 has been included in the 2025 budget.

Cost allocations are a standard practice for the City and are governed by a Cost Allocation Methodology that was adopted by City Council. Cost allocations are accounting transactions that move the expenses from one service to another to better align the resources being used by a specific service for financial reporting and governance. Historical cost allocations from the City to HPS are provided in Table 15, including the planned amount of \$10,020,062 for 2025.

TABLE 15
Cost Allocations from the City of Hamilton

Service Chargeback	2023	2024	2025
Computer Hardware	1,064	1,079	1,096
Accounting Services	59,743	61,655	63,073
Financial Applications Support	17,771	18,340	18,761
Payroll	195,209	201,456	206,089
Accounts Payable	41,259	42,579	43,559
Purchasing	77,299	79,773	81,607
Accounts Receivable	5,916	6,105	6,246
Budgets & Financial Planning	109,451	112,953	115,551
Insurance	3,309,383	3,766,515	3,863,446
Postage / Freight / Courier	36,822	22,842	23,366
Communications	660,250	660,250	660,250
WSIB Recovery and Shared FTE	2,817,275	3,877,546	4,937,017
Total	\$7,331,442	\$8,851,093	\$10,020,062

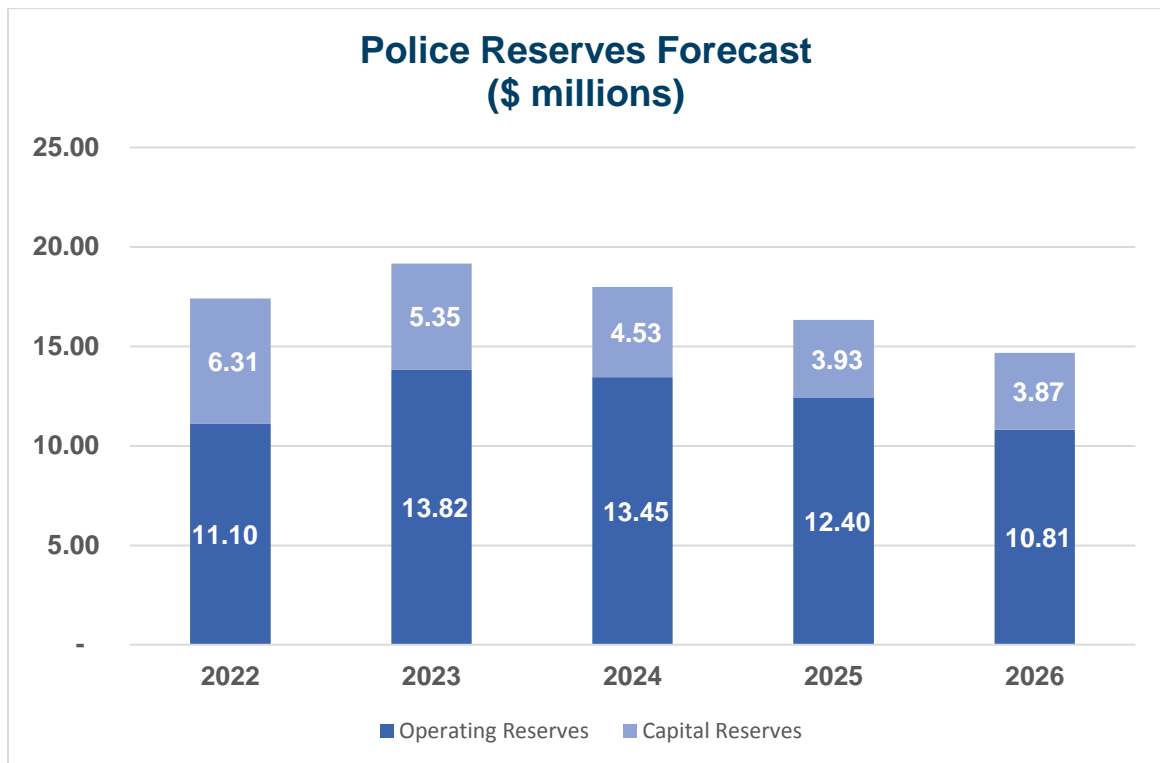
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Contributions from the Tax Stabilization Reserve (\$1,500,000 in 2025 and \$2,000,000 in 2026) and Capital Expenditures Reserve (\$718,060 in 2025) are in alignment with the Mayoral Directive, the Operating Budget Surplus / Deficits Policy (PSB15-059), and maintaining an appropriate balance moving forward to manage unforeseen events. The HPS Reserve forecast is provided in Figure 4.

FIGURE 4
HPS Reserve Forecast



Multi-Year Budget

The City adopted a Multi-Year Business Planning and Budget Policy in 2017. Multi-year financial planning allows for greater transparency and communication of the resources required to carry out the strategic plan and future impacts of current year budget decisions by the Board. The Multi-Year Budget (2025-2028) is included in Appendix D and summarized in Table 16.

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TABLE 16
Hamilton Police Service Multi-Year Budget 2025-2028

HAMILTON POLICE SERVICE	2025		2026		2027		2028	
	(\$000's)	%	(\$000's)	%	(\$000's)	%	(\$000's)	%
Employee Related Costs	215,524	9.7%	232,873	7.6%	241,901	3.7%	251,765	3.9%
Financial	1,023	-0.6%	1,351	0.1%	1,403	0.0%	1,454	0.0%
Materials & Supplies	10,965	1.5%	10,247	-0.3%	10,393	0.1%	10,478	0.0%
Vehicle Expenses	2,559	0.1%	2,627	0.0%	2,698	0.0%	2,771	0.0%
Building & Grounds	3,228	0.0%	3,227	0.0%	3,239	0.0%	3,227	0.0%
Consulting, Contractual & Agencies	2,426	0.2%	2,659	0.1%	2,579	0.0%	2,579	0.0%
Cost Allocations	5,190	0.0%	5,310	0.1%	5,432	0.1%	5,557	0.1%
Operating Expenditures	240,915	10.9%	258,291	7.7%	267,643	3.8%	277,831	4.0%
Grants & Subsidies	(9,981)	-0.3%	(9,981)	0.0%	(9,981)	0.0%	(9,981)	0.0%
Fees & General Revenues	(2,776)	-0.1%	(2,816)	0.0%	(2,862)	0.0%	(2,909)	0.0%
Reserves & Recoveries	(7,656)	-2.2%	(7,252)	0.2%	(5,409)	0.8%	(5,571)	-0.1%
Operating Revenues	(20,413)	-2.6%	(20,049)	0.2%	(18,252)	0.8%	(18,462)	-0.1%
Net Operating Budget	220,502	8.3%	238,243	7.8%	249,391	4.6%	259,369	3.9%
Capital Expenditures	7,417	-2.3%	6,215	-0.5%	4,775	-0.6%	5,509	0.3%
Capital Reserves	(843)	-0.3%	(300)	0.2%	(300)	0.0%	(300)	0.0%
Net Capital Budget	6,573	-2.6%	5,915	-0.3%	4,475	-0.6%	5,209	0.3%
2025 Budget	227,075	5.7%	244,158	7.5%	253,866	4.0%	264,578	4.2%

ALTERNATIVES FOR CONSIDERATION

Throughout the budget process, Senior Command and Budget Committee considered alternative options for the 2025 Operating and Capital Budget. The proposed budget reflects the decisions made by Senior Command and Budget Committee to provide the resources required for adequate and effective policing services and incorporates the efficiencies, reserve contributions and recoveries that are financially sustainable in recognition of affordability concerns for the community.

Alternatives for the Board include:

1. Consideration of the budget as submitted by staff; or,
2. Consideration of the budget reflective of the efficiencies incorporated by Senior Command but without the contributions from reserves and cost recovery.

These alternative options are summarized in Table 17.

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TABLE 17
Alternatives for Consideration

HAMILTON POLICE SERVICE	Total Budget		Net Levy Impact	
	2024	2025	(\$)	(%)
Proposed	214,822,645	227,075,420	12,252,775	5.70%
Alternative #1	214,822,645	242,249,480	27,426,835	12.77%
Alternative #2	214,822,645	233,640,311	18,817,666	8.76%

APPENDICES AND SCHEDULES ATTACHED

Appendix A – 2025 Operating Budget Analysis

Appendix B – 2025 Capital Budget Analysis

Appendix C – 2025 Detailed Budget

Appendix D – 2025 - 2028 Multi-Year Budget Forecast

Appendix E – HPS Projected Capital Expenditures: 2025-2034

FB/D.Robertson

- c: Ryan Diodati, Deputy Chief – Operations
 Paul Hamilton, Deputy Chief – Support
 Duncan Robertson, Interim Director – Finance

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