



WINNIPEG POLICE SERVICE

FINANCIAL REPORT

**2023 First Quarter
Fiscal Financial Report**

For the period ending March 31, 2023

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This quarterly financial report has been prepared by the Winnipeg Police Service as required by section 76(2) of the Winnipeg Police Board Rules of Practice and Procedure. This quarterly report has not been subject to an external audit or review.



2023 Fiscal Budget Update

2023 Q1

vs. Last Year compares to 2022

Revenue

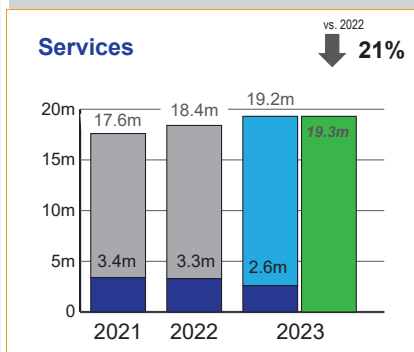
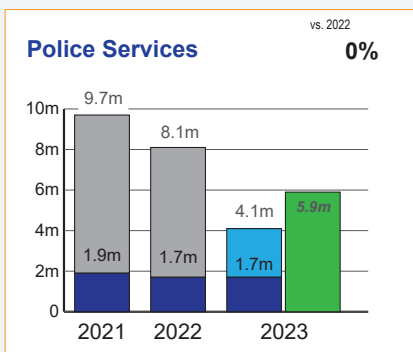
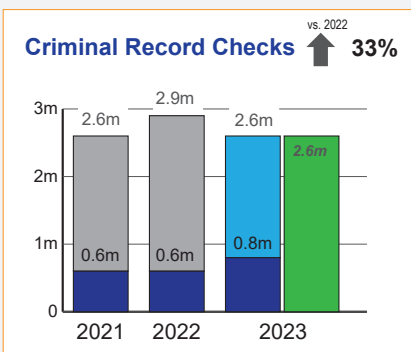
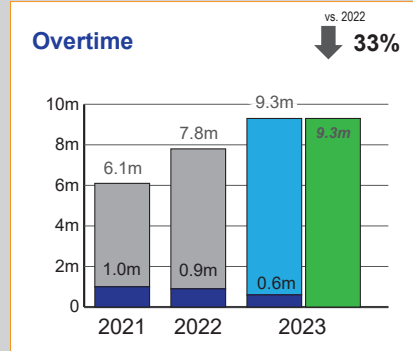
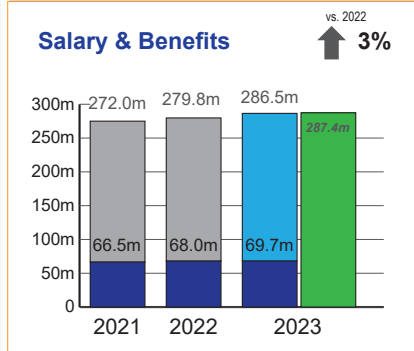
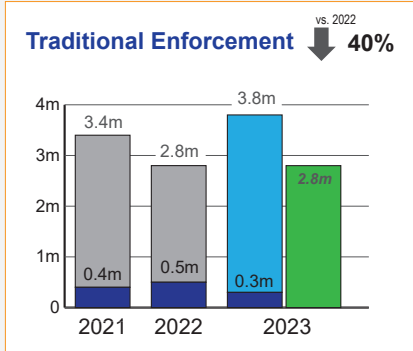
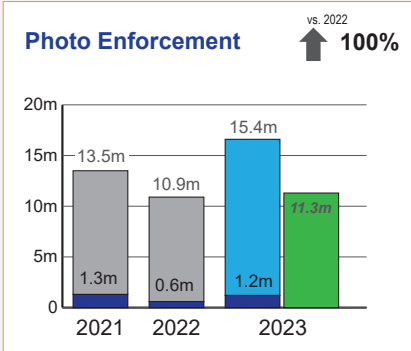
	2022	2023	
Q1 Actual	3.9m	5.2m	↑ 33%
% of Budget	8.3%	11.4%	

■ Q1 Actual
 ■ Actual Full Year
 ■ 2023 Budget
 ■ 2023 Year End Forecast

Expenses

	2022	2023	
Q1 Actual	77.9m	79.2m	↑ 2%
% of Budget	24.4%	24.3%	

■ Q1 Actual
 ■ Actual Full Year
 ■ 2023 Budget
 ■ 2023 Year End Forecast



Other Notables

Government Grants: +400%
 Timing of Provincial Grant payments vary year to year

Alarm Permit Renewals: -44%

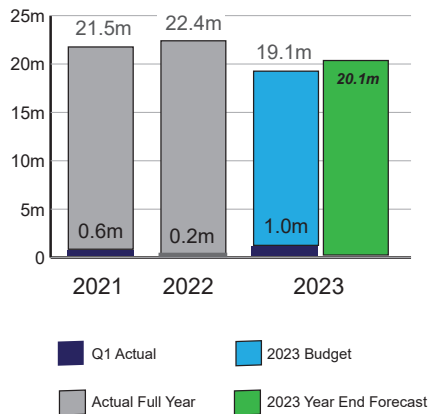
Other Notables

Grant Transfer & Other: -4%

Materials Parts Supplies: +6%
 Debt and Financing: +13%

2023 Revenue

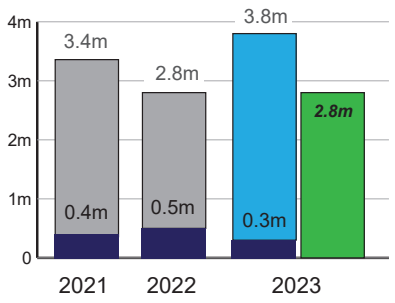
Government Grants vs 2022 ↑ 400%



Year-End Forecast
Over budget \$1.0m

- \$0.4 for implementation of the Manitoba Integrated Violent Offender Apprehension Unit offset by expenses of the same value.
- \$0.6m for 2022/23 Federal Drug Impaired Driving funding; unbudgeted revenue for recovery of budgeted salaries and training costs.
- Provincial Public Safety Basket Funding is unchanged from prior year and remains at 2015 funding levels. Other provincial grants fluctuate year over year.

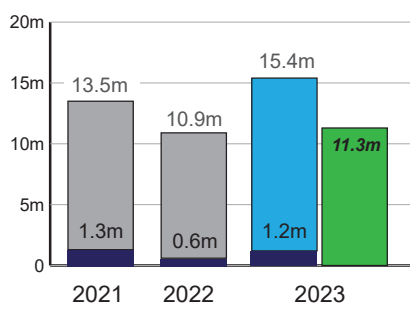
Traditional Enforcement vs 2022 ↓ 40%



Year-End Forecast
Under budget \$1.0m

- Tickets issued are up 17% from 2022.
- Revenue is down 40% from 2022, based on receipt of ticket payments; timing of payments varies year to year.

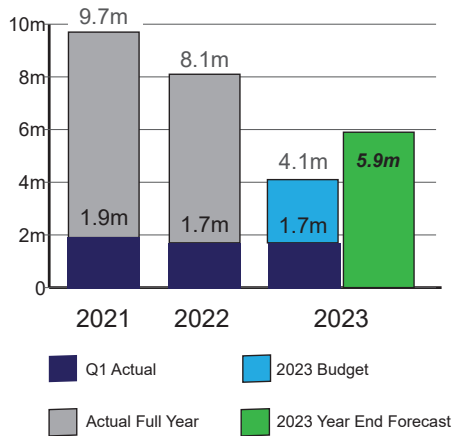
Photo Enforcement vs 2022 ↑ 100%



Year-End Forecast
Under budget \$4.1m

- Ticket volume is impacted primarily by the absence of enforceable construction zones and obsolete photo enforcement equipment.
- Revenue forecast for remainder of the year is based on current trends.

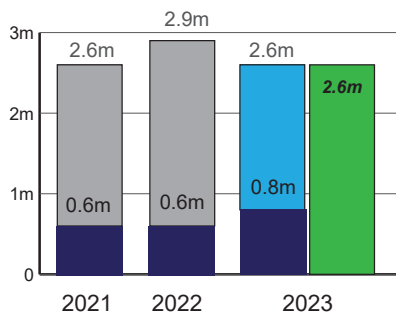
vs 2022
Police Services **0%**



Year-End Forecast
Over budget \$1.8m

- Police Services on par with 2022 levels primarily due to Special Duty volumes at retail establishments.
- Forecasted volumes are based on the existing short-term contractual arrangements; further revenue is wholly dependent on the fulfillment of Special Duty policing requests during the remainder of the year.

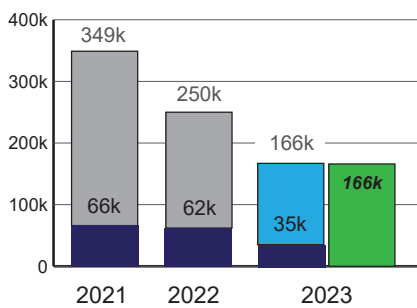
vs 2022
Criminal Record Checks **↑ 33%**



Year-End Forecast
On budget

- Budget is forecasted to be achieved.

vs 2022
Alarm Permit Renewal **↓ 44%**



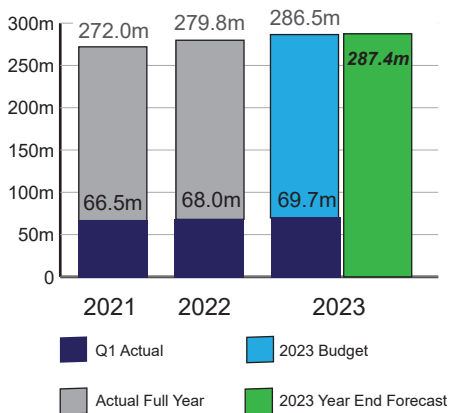
Year-End Forecast
On budget

- Budget is forecasted to be achieved.
- Revenue will fluctuate year to year due to the four-year renewal cycle.

2023 Expenses

Salary & Benefits

vs 2022
↑ 3%

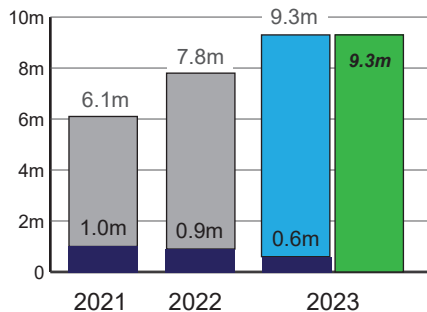


Year-End Forecast
Over budget \$0.9m

- A complement increase of 18.0 FTEs for the 911 Communication Centre to address service demands was approved without commensurate funding. As hiring is phased (expected to be completed by the end of 2023), the pro-rated impact is \$0.4m for 2023 and must be funded from within existing budget. An increase in savings from civilian vacancy management will help offset the unfunded portion; however, this funding pressure impacts the achievement of expenditure management.
- The over-expense of salary & benefits is attributable to the increase in Special Duty salaries, which is offset by revenue.

Overtime

vs 2022
↓ 33%

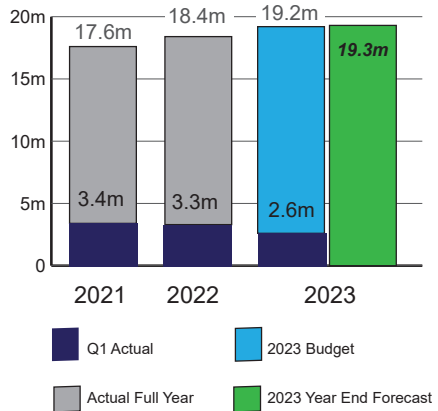


Year-End Forecast
On budget

- Overtime hours are down 11% from 2022; overtime use is impacted by the volumes of homicides, major critical incidents, traffic fatalities and overall increases in violent crime, coupled with the complexity of investigations.
- Overtime is relied upon to address service delivery demands including increased waiting times in hospitals, call volumes in the 911 Communication Centre, increased calls for service and the backlog of calls in the queue.
- Overtime is also impacted by the Service's partnerships with other emergency service providers such as WFPS and provincial healthcare partners. When partners of the WPS are also facing critical staffing shortages, demand on the Service is compounded.
- The service monitors overtime use closely; the historical uptick in overtime usage occurs during prime-time (Q2). As such, the Service has not forecasted any savings.

Services

vs 2022
↓ 21%



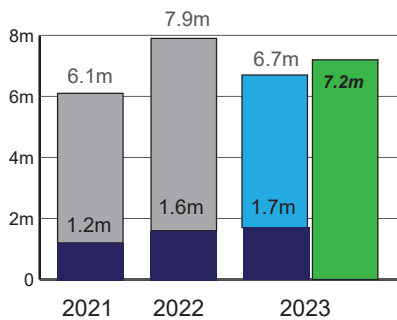
Year-End Forecast

Over budget \$0.1m

- Forecast over budget, offset by savings in other categories.

Materials Parts Supplies

vs 2022
↑ 6%



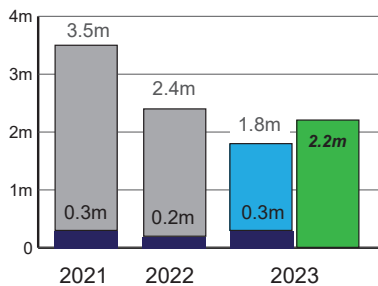
Year-End Forecast

Over budget \$0.5m

- Year-end forecast over budget primarily due to increase in automotive parts and clothing as a result of inflation on goods and services.

Asset Purchases

vs 2022
↑ 50%

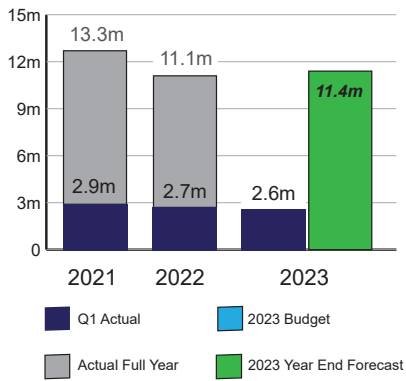


Year-End Forecast

Over budget \$0.4m

- Year-end forecast over budget primarily due to increase in costs of computer hardware and equipment as a result of inflation on goods and services.

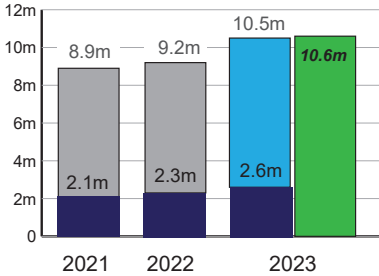
Grants Transfers & Other vs 2022 ↓ 4%



Year-End Forecast
Over budget \$8.8m

- Actuals and forecast over budget to accommodate \$9.2m expenditure management target, offset by \$0.35m accommodations savings as a result of a new space for evidence archive not yet established.

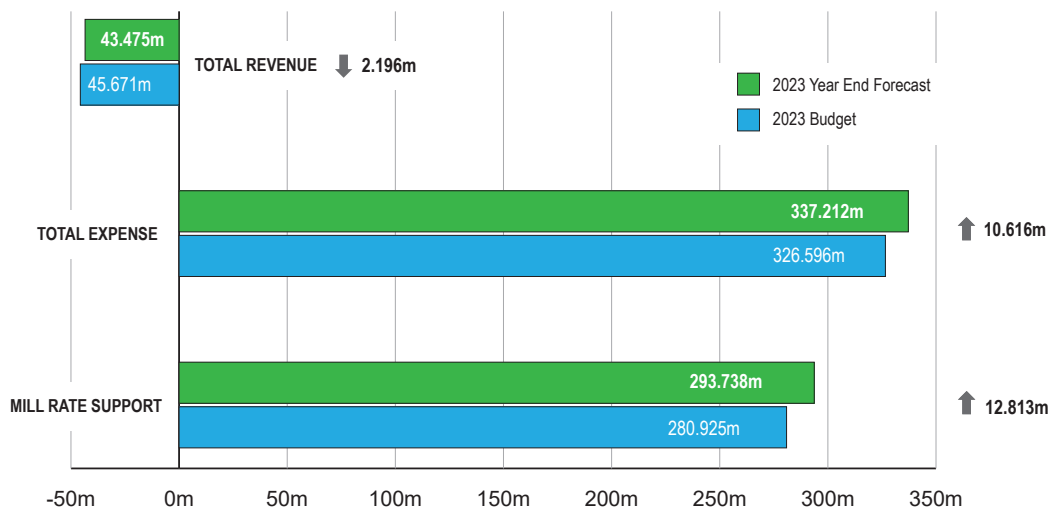
Debt and Financing vs 2022 ↑ 13%



Year-End Forecast
Over budget \$0.1m

- Actuals over budget attributed to credit card commission expense as a result of increased online and cashless payment methods; offset by increase in Police Services revenue.

Overall Financial Status



- **Mill Rate Support Increase** is driven by the traffic enforcement shortfalls of \$5.1m and the expenditure management target of \$9.2m which is forecasted to only be partially achieved. Projected savings from civilian vacancy management and accommodations and incremental revenue net of operating expense pressures will partially offset the expenditure management target by \$1.5m leaving a projected shortfall of \$7.7m.
- In previous years, expenditure management savings have primarily come from savings in salary and benefits and overtime, and increased revenue from Special Duty. The trend is continuing with the exception of overtime. To date, the Service is not experiencing the same level of overtime savings that it has in prior years due the number of homicides, major critical incidents and overall increases in violent crime. The number of emergency events where there is a risk of serious bodily harm or loss of life increased by 26% in 2021, further increased by 18% in 2022 and that trend continues in 2023. These emergency events are a major driver of workload and put a tremendous strain on resources and members; they require more General Patrol units to be dispatched and tend to draw on resources from specialty units, including Major Crimes and Forensics. They also create a backlog of calls for service in the queue. Overtime was and continues to be relied upon to address the increase in calls, which have been increasing at an average rate of 4% annually, as well as the number of calls in the queue awaiting police response from General Patrol units.

Risks/Assumptions to Year-End Forecast

- Traffic enforcement fine revenue estimates to date are conservative based on prior year trends, including the decline in enforceable construction zones. The inability to use up-to-date photo enforcement technology, particularly at intersections, and the lack of enforceable construction zones has a impact on revenue. The use of technology is a force multiplier and allows members to focus on enforcement of other dangerous driving behaviors, including impairment and distracted driving.
- The expenditure management target has grown from \$1.0m in 2020 to \$6.1m in 2021 to \$9.1m in 2022 and \$9.2m in 2023. These increases are solely related to the police pension. The first increase was to accommodate a police pension savings shortfall as a result of an arbitration decision and the second increase is to accommodate the increase in the employer contribution rate which increased to 21.78% (from 18.31%) effective January 1, 2021 based on the actuarial valuation of the pension plan.
- Operating expense pressures as a result of inflation on goods and services impacts the Service's ability to meet the expenditure management target.

2023 Capital Update (\$)

Open Capital Projects \$ (000's)

Year	Description	Budget
2016	North District Police Station	31,730
2021	Central Processing Unit - Holding Cell (72% complete)	3,500
2021	Police HQ IS Upgrade (56% complete)	2,100
2018	Intelligence Led Report (Ph2) (89% complete)	1,665
2022	Communication Media Logger	1,453
2019	Tech Upgrades - Information Technology (94% complete)	1,200
2023	Police Vehicle Ops Facility	1,200
2019	In Car Computing	1,000
2023	EDPS Leasehold Improvements	825
2022	Flight Operations - FLIR (68% complete)	792
2021	North District Furn & Equip	700
2020	In Car Computing	500
2021	Schedule and Mgmt Sys Upgrade (25% complete)	500
2021	Auto Fingerprint ID Sys - AFIS	500
2023	Training Facility - Site Security	450
2023	Building Security System	424
2022	Technical Surveillance Systems (79% complete)	400
2023	Computer Assisted Dispatch	375
2023	Call Answer Software	310
2020	Computer Assisted Dispatch Upgrade (30% complete)	325
2019	North Station IT Requirements	300
2016	Electronic Ticketing (48% complete)	200
2021	North District IT Requirements	190
2023	Connected Officer Program	175
2023	Comm Sites-P25 Infrastructure	100

2023 Capital Notes and Risks

The Service is focusing on the outstanding projects from prior years, as well as eight new projects in 2023.