



Peterborough Police Service Board - **Board Report**

Public Session

To: Members of the Peterborough Police Service Board
From: Tia Nguyen, Manager of Financial Services
Report Date: October 6, 2025
Meeting Date: October 21, 2025
Subject: 2026 Operating and Capital Budget

Purpose

To inform the Board about the Chief's proposed 2026 Operating and Capital Budget submission, focusing on the necessary requirements to maintain and enhance service delivery in the City of Peterborough.

Recommendations

1. That the Board receives this report and endorses the proposed Operating Budget of \$41,506,841.
2. That the Board receives this report and supports the proposed Capital Budget of \$1,413,950.

Strength Impact

Additional staffing needs are:

2026 Additional Staffing Needs	Full-Time Equivalent
Constable	1
Detective Constable	1
Financial Analyst	1
Police Recruiting Coordinator	1
IT System Analyst	1
Electronic Forensic Analyst	1
Court Security Officer	1
Records Management Clerk	1
FOI	0.5
DEMS	0.5
911 Communicator	0.5
911 Communicator	0.5
Total FTEs	10

Summary Financial Information

The report outlines the operational and capital budget developments for 2026, highlighting a 9.8% increase in the operating budget from the previous year. This growth is primarily driven by two key factors:

Personnel Costs

Personnel expenses show an increase of 8.4% due to the addition of 10 new positions within the Police Service. These include 8 full-time equivalent civilian positions and 2 sworn positions, aligning with legislative and regulatory requirements, the Board's strategic objectives and the community needs.

These ten positions are mandatory to meet legislative and regulatory expectations. They contribute to the mandatory requirements of the *CSPA* in relation to providing adequate and effective policing.

Non-Personnel Costs

These costs have risen by 21.2% due to several factors:

- New Contractual Services:** For a number of years, our Police Service has relied on the City's IT department for technological support. However, as our operations have expanded and the demand for specialized police technology has increased, it became apparent that the establishment of a dedicated IT unit is essential to operational effectiveness and efficiency. By investing in our own IT team, tailored to address the unique challenges and advancements in policing technology, we can enhance operational support, streamline communication, and increase adaptability to new innovations. These investments will also encompass additional service acquisitions

and technological advancements, ensuring that our infrastructure remains robust and responsive to the dynamic nature of public safety needs. This strategic initiative not only aligns with our commitment to modernization but also ensures that we remain at the forefront of effective policing, better serving our community and addressing the evolving nature of public safety.

- Provincial Initiatives:** Provincial grants have funded various initiatives, including the hiring of seconded positions to support our mission. Continued investment in technology, particularly data analytic tools, is essential for enhancing our capability in timely and accurate reporting. Reliable data is crucial for grant funders to ensure ongoing accountability and build public trust.

As technological advancements progress, our commitment to data-driven decision-making positions us effectively to meet future expectations.

Revenue Highlights

Revenue by Source	2026 Request	2025 Approved	Over/Under PY	%
Government Grants	\$3,491,174	\$3,122,128	\$369,046	11.8%
Contracted Services	\$2,431,862	\$2,292,791	\$139,071	6.1%
User Fees	\$507,800	\$460,300	\$47,500	10.3%
Total Revenue	\$6,430,836	\$5,875,219	\$555,617	9.5%

Total revenue is comprised of several key components: Ontario grants, which account for 54.3% of the total, contracted policing services contributing 37.8%, and user fees making up 7.9%.

Ontario grants have increased by \$369,046 or 11.8% primarily due to:

- Court Security and Prisoner Transportation (CSPT) Grant Increase:** the CSPT grant has been increased by \$122,728. The adjustment contributes to the overall grant estimate increase of 3.9%.
- Annualized Grant for Seconded Positions:** An additional \$173,812 has been allocated for seconded positions on an annualized basis, further contributing 5.6% to the budget increase.

Contracted services increased by 6.1% attributed to higher compensation and material costs.

User fees and recoveries account for 7.9% of revenues which include fees for records checks, police paid duty, and other services. The main driving force behind these revenues is expected higher levels of records checks. The fees charged to the public are based on a cost-of-service recovery model. Given the current economic conditions, the 2026 revenues are forecasted to be similar levels as the prior year budget.

Risk

While grant funding has remained relatively stable, reliance on them introduces a degree of financial risk. Provincial grant funding allocation does not align with the City's fiscal year, meaning that funding could be lower than anticipated during the year, resulting in financial pressures that may require use of the operational reserves.

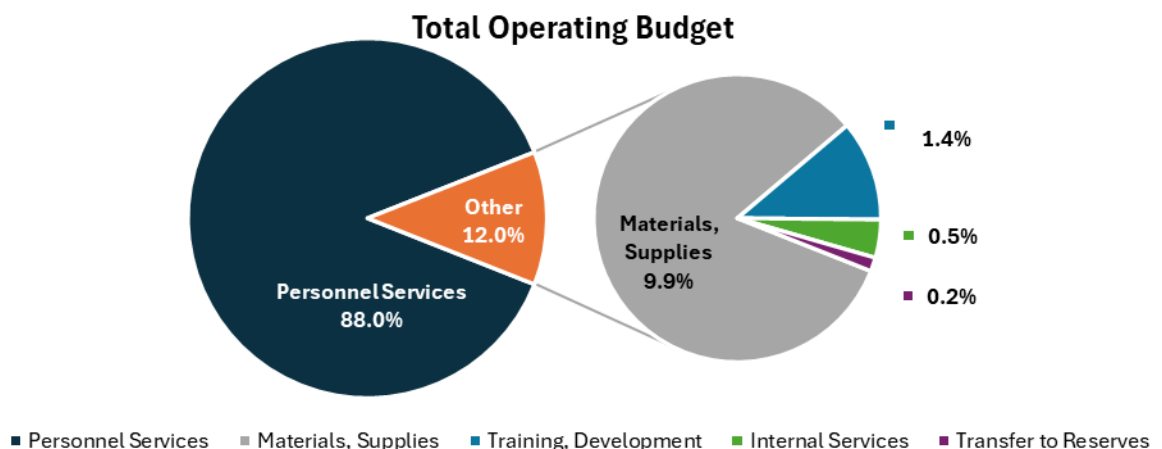
In preparing the 2026 budget, our financial planning has accounted for two major provincial grant programs, specifically the Court Security and Prisoner Transportation and Community Safety Policing grants. These grants have historically been vital to our funding structure, providing substantial support to our police service operations. The budget projections are based on the actual allocations we received in 2025. However, it is imperative to note that the receipt and amount of these grants for 2026 remain uncertain, representing significant financial risks which our Service has encountered annually.

Operating Expenditures Highlights

The total cost to deliver projecting services is \$47,937,677 gross and \$41,506,841 net.

The 2026 budget estimates consider future changes in costs and economic conditions but remain subject to external influences.

Expenditures by Category	2026 Request	2025 Approved	Over/Under PY	%
Personnel Services	\$42,198,163	\$38,940,520	\$3,257,643	8.4%
Materials, Supplies	\$4,755,264	\$3,685,642	\$1,069,622	29.0%
Training, Development	\$649,828	\$415,623	\$234,205	56.4%
Internal Services	\$245,415	\$546,668	-\$301,253	-55.1%
Transfer to Reserves	\$89,007	\$89,007	\$0	0.0%
Total Expenditure	\$47,937,677	\$43,677,460	\$4,260,217	9.8%



1. Personnel Expenditures

Compensation costs are projected to rise by 8.4% due to several key factors:

- **Annual Salary and Benefits Increases:** Implemented through collective agreements, resulting in a 5.4% increase in the budget.
- **Higher Health Premiums:** Reflecting broader industry trends in rising healthcare costs.
- **Additional Staffing Positions:** In line with the Board's strategic goals, new positions are being created to support organizational needs. Notably, this expense includes the addition of a position in the IT unit. This increase is fully offset by a \$306,913 annual fee previously allocated to the PTS department.

2. Non-Personnel Costs

These are anticipated to increase by \$1,002,574 or 21.2% due to:

- **Market Inflation:** In line with industry trends, there is a reflective increase in the price of essential services, supplies, and materials. Continual market inflation impacts the costs of goods and services; therefore, diligent monitoring is necessary to ensure budgetary allocations align with market trends.
- **New Software Licences:** Our transition away from Peterborough Technology Services (PTS), necessitates investments in licences to support independent operations. Additionally, a new software licensing and maintenance program is required for the required back-up site for the 911 Communication Centre.
- **Investment in Technology:** Investment in data analysis is crucial to enhancing operational deployment, investigative responses, program efficiency and ensuring accountability with provincial funding operations.
- **Community Safety and Policing Act (CSPA) Compliance:** Compliance with the CSPA introduces regulatory requirements that increase operating expenses. These expenses cover the implementation of necessary protocols and systems to ensure compliance with the legislation.

Expense Category Highlights

- a. **Materials, Supplies and Contractual Services** have increased by \$1,069,622, representing a 29% year-over-year increase. This rise is largely due to new communications service agreements, technology contracts, and costs associated with enhancing community safety and policing services.

b. Training and Development Costs total \$649,828 accounting for 1.4% of the total operating budget. This investment underscores our commitment to the continuous improvement of officer skills and capabilities. These training initiatives are mandated by the *Community Safety and Policing Act*, Ontario Regulation 87/24 Training. Key training areas include, but are not limited to:

- Mental Health Awareness
- Cultural Competency and Diversity Training
- De-escalation Techniques
- Use of Force Protocols and additional firearms-related training
- Community Engagement and Relationship Building
- Ethics and Professional Conduct
- Crisis Intervention
- New mandatory training for Special Constables
- Unique critical incident response training for all levels of sworn supervisors
- New investigative training requirements

The cost for these programs reflects the initial implementation of comprehensive training programs across the entire police service. These include expanded sessions, professional development, technological tools, and various supportive materials to enhance both theoretical and practical experiences. The budget emphasizes continuous investment and mandated officer education to meet evolving community and legislative expectations.

c. Inter-Departmental Charges of \$245,415, is a decrease of \$301,253 from the previous year. This notable reduction primarily stems from the removal of the PTS' staffing allocation.

d. Transfer to Reserves: The funds transferred to the reserve accounts pertain to the allocation of resources set aside for future obligations and strategic initiatives within the Police Service. The aim of this allocation is to mitigate the tax burden associated with these obligations and initiatives, often stemming from unplanned events or changes in the market. For the fiscal year 2026, the total contribution to the reserves stands at \$89,007. This amount is comprised of:

- \$10,000 allocated for the Police Recruitment Reserve.
- \$27,500 designated for the Police Board's Strategic Plan. This includes a 50% contribution from the City.
- \$51,507 set aside for Health Care Spending Accounts.

These allocations are intended to ensure financial stability and strategic development within the Police Service.

Capital Budget

The proposed Capital Budget aims to address the financial requirements associated with replacing equipment that has reached the end of its service life. This ensures that all new acquisitions meet the current technological standards, as mandated by the *CSPA* for the Emergency Response Unit. Key investments include in-car computers and technology interfaces, crucial for maintaining updated response and communication methods. Additionally, this budget supports the modernization of data storage and advanced technology essential for tech-crimes investigations.

Capital Cost Drivers	2026	2025	Over/Under	%
Fleet Renewal	\$ 857,200	\$ 639,800	\$ 217,400	34.0%
IT System and Improvements	\$ 226,179	\$ 682,412	\$ (456,233)	-66.9%
Other Equipment	\$ 330,571	\$ 501,120	\$ (170,549)	-34.0%
Total	\$ 1,413,950	\$ 1,823,332	\$ (409,382)	-22.5%

Other Equipment Included:	Estimated Cost
Police Radio System - InterSite Link Equipment	\$120,000
Portable Radio	\$66,696
E-Crime Server (2)	\$60,000
Mobile Radio	\$49,875
E-Crime Forensic Laptop (2)	\$24,000

In Summary

For the fiscal year 2026, the proposed net operating expenditures amount to \$41,506,841. The proposed capital budget is set at \$1,413,950. This careful financial planning underscores our commitment to modernize essential services while ensuring fiscal responsibility.

Prepared by: Tia Nguyen, Manager of Financial Services

Reviewed by: Stu Betts, Chief of Police

Submitted by: Stu Betts, Chief of Police