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The Regional Municipality of Durham Report

To: Special Committee of the Whole
From: Commissioner of Finance/Treasurer and the Chief Administrative Officer
Report: #2025-COW-29
Date: June 18, 2025

Subject:

2026 Durham Regional Police Service Property Tax Supported Business Plans and Budget Guideline

Recommendations:

That the Committee of the Whole recommends to Regional Council that:

- A) The following detailed guideline for the 2026 Property Tax Supported Business Plans and Budget for the Durham Regional Police Service Board be approved and the Durham Regional Police Service Board be requested to prepare and submit a 2026 Property Tax Supported Business Plans and Budget in compliance with timelines set out and aligned with this guideline:
 - i. The 2026 Property Tax Supported Business Plans and Budget for the Durham Regional Police Service Board not exceed \$346.813 million, an increase of 10.69 per cent compared to the 2025 approved budget for the Durham Regional Police Service, which translates to an overall property tax impact of 3.00 per cent for 2026 on the Regional portion of the property tax bill after assessment growth; and
 - B) A copy of this report be forwarded to the Durham Regional Police Service Board to guide the development of their detailed 2026 Business Plans and Budget.
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Report:

1. Overview

- 1.1 This report provides an overview and details on the various base budget factors and priorities of the Durham Regional Police Service Board impacting the 2026 Durham Regional Police Service Business Plans and Budget and seeks Council approval of a 2026 property tax rate guideline for the Durham Regional Police Service Board.

- 1.2 Companion Report #2025-COW-28 seeks Council approval of a 2026 property tax guideline for the balance of the Regional Property Tax Supported Business Plans and Budget including Regional Departments, Durham Region Transit, 9-1-1 Emergency Service System, Durham OneNet Inc., Durham Regional Local Housing Corporation (DRLHC) and the Conservation Authorities. This companion report also provides additional details on the 2026 Business Planning and Budget process, timelines and engagement strategy.

2. Background

- 2.1 On May 20, 2025, the Durham Regional Police Service Board passed the following motion regarding the 2026 budget and nine-year forecast:

“That the 10-year forecast to phase in required policing service staffing investments, operational equipment and renewed facility infrastructure be approved in principle, subject to annual approvals through the Region’s business planning and budget process; and,

That the Board approve in principle the preliminary 2026 budget forecast of \$356.0 million – an increase of \$42.7 million or 13.62%, in order to meet its statutory responsibility to ensure the provision of adequate and effective policing; and,

That DRPS representatives provide a copy of the report to the Police Service Board and other required supporting information to Region Finance staff, as requested in the Region’s memo dated April 9, 2025 and sent to the DRPS on April 14, 2025.”

- 2.2 Effective April 1, 2024 the *Police Services Act* was repealed and replaced with the *Community Safety and Policing Act, 2019* to modernize policing and enhance community safety. The *Community Safety and Policing Act, 2019* has had a significant impact on the Durham Regional Police Service Board’s budget requests. This Act has arbitration provisions addressing any differential between the Board approved budget and the Council approved budget.
- 2.3 With the Durham Regional Police Service Board completing the facility needs review and with the increased fiscal pressures resulting from the new requirements under the *Community Safety and Policing Act, 2019*, Regional Council approved the following direction ([Report #2024-COW-53](#)) regarding the development of a multi-year service and financing study for police. Work is underway on the strategy, with the multi-year strategy anticipated to be presented to Council no later than December 2025. A project charter outlining how the project will proceed is drafted and meetings will be scheduled throughout the coming months.

“Staff be directed to undertake a minimum 10-year operating and capital Durham Regional Police Service, Service and Financing Strategy in partnership with the Durham Regional Police Service Board and the Durham Regional Police Service staff in order to provide recommendations on a multi-year funding strategy to address operating and capital impacts of the new Community Safety and Policing Act, 2019 and the state of good repair of capital facilities recognizing the need for stability and predictability to property taxpayers, and that the Durham Regional

Police Service Board, through the Chief of Police, be requested to direct Durham Regional Police Service staff to provide all necessary input and information.”

3. 2026 Property Tax Guideline Overview

- 3.1 Through this report, staff are seeking Regional Council approval for the following 2026 property tax guideline:
- The 2026 Property Tax Supported Business Plans and Budget for the Durham Regional Police Service Board is recommended not to exceed \$346.813 million, an increase of 10.69 per cent compared to the 2025 approved budget for the Durham Regional Police Service, which translates to an overall property tax impact of 3.00 per cent for 2026 on the Regional portion of the property tax bill after assessment growth. This represents a monthly budgetary increase of approximately \$9 for an average residential home in Durham Region with an estimated 2026 current value assessment of \$483,100.
- 3.2 As part of the 2025 business planning and budget process, Regional staff initiated the practice of proportionally allocating assessment growth to reduce the overall property tax impact of the Durham Regional Police Service Budget. This practice is proposed to be continued for the 2026 budget. Additional details on the projected assessment growth for 2025 can be found in Section 2 of companion Report #2025-COW-28.
- 3.3 The intent of the Durham Regional Police Service guideline is to balance their current budget request with the significant pressures being felt across all essential services provided by the Region and the impact on taxpayers.
- 3.4 To achieve the recommended guideline, reductions totaling \$9.19 million would be required to the 2026 budget forecast approved in principle by the Durham Regional Police Service Board. Section 7 of the Report provides potential strategies that could be utilized to identify potential reductions.
- 3.5 The establishment of a specific property tax guideline for the Durham Regional Police Service Board provides direction and assists with finalizing the 2026 budget submission for presentation to Regional Council in December 2025. Timing of the guideline approval is critical for achieving approval of the 2026 Business Plans and Budget before the end of December as well as critical dates that will be provided to the Durham Regional Police Service Board to meet Regional deadlines.

4. Projected 2026 Base Pressures

- 4.1 The Durham Regional Police Service has identified the following base pressures totalling \$22.446 million (7.16 per cent) in the preliminary 2026 budget forecast:
- Payroll annualization for 168 new full-time positions added in the 2025 budget (115 uniform and 53 civilian);
 - 2026 wage and benefit rate increases for 1,557 authorized positions and approximately 50 full-time equivalents;

- Increased facility operational costs related to the opening of Phase 2 of the Clarington Police Complex, and the new facility rental (1500 Hopkins) to support space deficiencies at Regional Headquarters;
- Cost pressures related to operational software costs (subscription-based models, licensing, renewals); and
- Joint Air Support Unit costs supported by five-year provincial funding for the purchase of an aircraft and supporting operational expenditures.

4.2 Additional details on these investments are provided in the following table.

Description	Amount (\$'000's)	% Increase
<u>Payroll Impacts</u>		
Annualization of 2025 New Staff Positions (168 FTEs)	12,246	3.91%
Contractual Salary, Benefit and Position Changes	17,634	5.63%
Estimated Savings - WSIB Net Pay	(1,660)	-0.53%
Total Payroll Impacts	28,220	9.01%
<u>Operating Impacts</u>		
Personnel Related	(1,348)	-0.43%
Building and Grounds Operations	973	0.31%
Computer Maintenance	530	0.17%
Contracted Services	1,830	0.58%
Financial Expenses	423	0.14%
Leased Facility Expenses	410	0.13%
Utilities	453	0.14%
Supplies	(530)	-0.17%
Other	525	0.17%
Total Operating Impacts	3,266	1.04%
<u>Capital Impacts</u>		
Vehicle Acquisitions	(489)	-0.16%
Helicopter Acquisition	10,528	3.36%
Buildings - Replacements	2,232	0.71%
Machinery/Equipment/Furniture/Computers	1,117	0.36%
TCA New	(5,929)	-1.89%
Total Capital Impacts	7,459	2.38%
<u>Revenues, Grants and Recoveries</u>		
Provincial Grant for Helicopter Acquisition	(10,528)	-3.36%
Provincial Grant Helicopter Maintenance	(5,131)	-1.64%
Auction Revenue	(464)	-0.15%
Fees and Charges	(185)	-0.06%
Provincial Subsidy	(260)	-0.08%
Recovery - 911 Communications	(399)	-0.13%
Reserve Funding for Operations	472	0.15%
Other	(3)	0.00%
Total Revenues, Grants and Recoveries	(16,499)	-5.27%
Total Base Changes	22,446	7.16%

Notes:

1. Table was prepared by Regional staff informed by the Durham Regional Police Service's submission.
2. Columns may not add due to rounding.

5. 2026 Strategic Investment Pressures

5.1 The Durham Regional Police Service has identified the following strategic investments totalling \$20.225 million (6.45 per cent) in the preliminary 2026 budget forecast:

- 116 new staff positions including 78 uniform, 33 civilian and five new tactical flight officers to support the Joint Air Supported Unit which are projected to be funded from provincial funding until 2029/2030;
- 18 additional vehicles and 1 new marine vessel;
- Modernization of IT and Finance systems; and
- Increased debt servicing costs to support the modernization of Durham Regional Police Service facilities.

5.2 Additional details on these investments are provided in the following table.

Divisional Clerks	0	4	4	306	0.10%
Remote Piloted Aircraft Systems	5	0	5	760	0.24%
Real-Time Operations Centre	0	2	2	171	0.05%
Finance Modernization	0	4	4	591	0.19%
Facilities Operations	0	2	2	171	0.05%
IT Modernization	0	6	6	1,414	0.45%
Fleet Services	0	2	2	229	0.07%
Debt Servicing Costs - Capital	0	0	0	4,476	1.43%
Missing Persons	1	0	1	200	0.06%
Surveillance Expansion	10	0	10	1,273	0.41%
Technical Services	2	0	2	249	0.08%
Financial Crimes	4	0	4	643	0.21%
Joint Air Support	5	0	5	919	0.29%

Notes:

1. The 2026 estimated costs for the proposed new positions assumes a July 1, 2026 start date. The annualized costs of these new positions will need to be included in the 2027 Business Plans and Budget.
2. Table was prepared by Regional staff informed by the Durham Regional Police Service's submission.

5.3 Durham Regional Police Service has identified the following more significant implications should the proposed 2026 strategic investments not be funded:

- Community Safety and Partnerships – limited funding may restrict proactive policing initiatives, community outreach, youth engagement programs, and targeted patrols in high-risk areas.
- Crime Prevention – constrained resources may lead to increased emergency response times and more limited officer visibility in the community, which may lead to reduced public confidence and a potential increase in both perceived and actual levels of crime. Also, changing crime trends will not have a dedicated focus, like auto theft, border patrol support, and illicit drugs.
- Support for Victims of Crime and Vulnerable Persons – funding limitations will hinder the Service’s ability to provide specialized services, like victim support and crisis intervention that adversely impact the most vulnerable members of our communities.
- Officer Well-Being – Limited funding that inhibits the Service from achieving reasonable front-line staffing levels will further impact the well-being of existing officers, as well as deter recruitment efforts, as recruits choose neighbouring services that offer better working conditions. Further, limited funding will not support the significant facility improvements that are required due to decades of minimal improvement and buildings that have been outgrown.

6. 2026 – 2035 Forecast Highlights

6.1 The Durham Regional Police Service has indicated that the current 2026 – 2035 forecast will continue to require significant levels of investments to meet the [Service’s strategic goals of partnerships, trust and modernization](#). Investments are estimated to be more significant in the first seven years, averaging between 8 per cent and 14 percent before declining slightly to between 4 per cent and 5 per cent in the last three years. Base pressures continue to be driven by payroll costs, while strategic investments for staffing and increased debt servicing costs support the addition of 764 new positions and eight to ten new building/renewal projects.

6.2 As part of the 2025 Business Planning and Budget process, Regional Council approved that staff undertake a minimum 10-year operating and capital Durham Regional Police Service, Service and Financing Strategy in partnership with the Durham Regional Police Service Board and the Durham Regional Police Service staff in order to provide recommendations on a multi-year funding strategy to address operating and capital impacts of the new *Community Safety and Policing Act, 2019* and the state of good repair of capital facilities recognizing the need for stability and predictability to property taxpayers ([Report #2024-COW-53](#)). Work is underway on the strategy, with the multi-year strategy anticipated to be presented to Council no later than December 2025.

7. Strategies for Budget Reductions

- 7.1 To achieve the recommended Durham Regional Police Service Budget guideline of 3.00 per cent a number of strategies will need to be explored and utilized to identify budget savings while providing for the base budget pressures and strategic investments. These strategies include:
- Refining budget estimates and priorities;
 - Completing line-by-line reviews to identify opportunities to reduce base budgets based on historical spending levels, including looking at opportunities to incorporate sustainable gapping savings in the budget;
 - Advancing critical capital expenditures in 2025 where in-year surplus is available; and
 - Carefully reviewing and prioritizing 2026 staffing requests, budget pressures and priorities and looking for efficiencies and opportunities to minimize the 2026 budget impact.

8. Conclusion

- 8.1 The following is the recommended 2026 property tax guideline for Durham Regional Police Service:
- The 2026 Business Plans and Budget for the Durham Regional Police Service Board is recommended not to exceed \$346.813 million, an increase of 10.69 per cent compared to the 2025 approved budget for the Durham Regional Police Service, which translates to an overall property tax impact of 3.00 per cent for 2026 on the Regional portion of the property tax bill after assessment growth. This represents a monthly budgetary increase of approximately \$9 for an average residential home in Durham Region with an estimated 2026 current value assessment of \$483,100.
- 8.2 The Durham Regional Police Service Board is requested to review their 2026 budget forecast to align it with the 2026 guideline approved by Regional Council.

9. Attachments

- 9.1 Attachment #1: May 20, 2025 Memorandum from Mayor Collier, Chair of the Durham Regional Police Service Board re Multi-Year Economic, Financial and 10-Year Capital Forecast for the 2026 Regional Business Plans and Budget

Respectfully submitted,

Original Signed By _____

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer



MEMORANDUM

TO: Nancy Taylor
Commissioner of Finance and Treasurer
Region of Durham

FROM: Shaun Collier, Chair

DATE: May 20, 2025

RE: Multi-Year Economic, Financial and 10-Year Capital Forecast for
the 2026 Regional Business Plans and Budget

Please be advised that the Board passed the Motion below at its meeting on May 20, 2025.

“That the 10-year forecast to phase in required policing service staffing investments, operational equipment, and renewed facility infrastructure be approved in principle, subject to annual approvals through the Region’s business planning and budget process; and,

That the Board approve in principle the preliminary 2026 budget forecast of \$356.0 million - an increase of \$42.7 million or 13.62%, in order to meet its statutory responsibility to ensure the provision of adequate and effective policing; and,

That DRPS representatives provide a copy of the report to the Police Service Board and other required supporting information, to Region Finance staff, as requested in the Region’s memo dated April 9, 2025, and sent to the DRPS on April 14, 2025.”

DRPS staff will contact you provide additional details in the near future.

Thank you for your attention to this matter.
