

MEMORANDUM FOR CITY COUNCIL

ISC: Unclassified



SUBJECT:	COMMISSION RESPONSE TO NOTICE OF MOTION EC2025-0230
DATE:	MARCH 12, 2025
PURPOSE:	FOR INFORMATION
REVIEWED/APPROVED BY:	AMTUL SIDDIQUI, COMMISSION CHAIR

REASON FOR THIS MEMORANDUM

On February 25, 2025, Council passed EC2025-0230, a Notice of Motion that invited the Calgary Police Commission to bring a report on the funding shortfall impacting the Calgary Police Service (CPS) budget and the options to address it.

City Administration was also to inquire with the Commission on our intent to consider severing the ties between enforcement and fine revenue, and whether additional advocacy and data support from the City Administration is required around photo radar use in Calgary.

POLICE FUNDING SHORTFALL BACKGROUND

The CPS budget is mostly funded through taxes, but 18.6 per cent of it is funded through a mix of user fees, grants from other orders of government, and fine revenue. While the grants and tax funding are stable each year, budgeted revenue from user fees and fines is only a projection and can produce budget volatility.

The vast majority of fine revenue collected by the CPS comes from traffic law enforcement. The Government of Alberta is responsible for the legislation and regulations around traffic law enforcement and collects the fines from any tickets issued. The province retains 40 per cent of the revenue from these fines, contributes 20 per cent to the Victims of Crime Fund, and shares the remaining 40 per cent with the City of Calgary.

Council has traditionally used the shared fine revenue to reduce the tax funding needed to pay for policing. To support this approach, the police budget includes an estimate of how much fine revenue is likely to be shared each year based on previous years. In the 2023-2026 budget cycle, the CPS estimated that it would receive \$47.7 million in shared fine revenue each year.

On December 1, 2024, the Ministry of Transportation and Economic Corridors changed the regulations around the use of automated traffic enforcement, which includes both photo radar vehicles and intersection safety devices (I.e. red light and speed on green cameras). Photo radar enforcement is now limited to construction, playground and school zones, and speed on green intersection cameras are prohibited. Police services may apply for an exemption at locations outside of these regulations, provided a business case shows it will improve safety.

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The recent changes were in addition to a freeze on new automated enforcement locations implemented in 2019, significant restrictions and a requirement to wrap photo radar vehicles with high-visibility decaling in 2022, and a ban on photo radar along Stoney Trail in 2023. The budget shortfalls created by these were absorbed through unfilled vacancies, but that is no longer sustainable as the CPS has been focused on ensuring it is fully staffed moving forward.

The Commission fully supports the province's view that decisions about where and when to use automated traffic enforcement should be driven by public safety considerations and not revenue needs. The CPS deployment of this technology shared this vision.

The revenue impact of the regulation changes is not nearly as important to the Commission as the community safety implications. However, the new regulations will also result in fewer tickets being issued and likely for lower fine amounts, meaning the CPS will receive significantly less funding than expected through fine revenue shared by the province.

OPTIONS TO ADDRESS THE FUNDING SHORTFALL

Option 1 (Recommended) – Fully fund the fine revenue shortfall

The CPS is currently projecting a \$28 million shortfall in expected fine revenue in 2025. This same shortfall is also projected for 2026 unless the police budget for next year is adjusted. The CPS intends to apply for automated enforcement exemptions at high-collision locations as soon as possible, which will reduce the shortfall, if granted. However, the vast majority of the shortfall will likely remain even with these exemptions.

In the City of Calgary's Fall Survey, crime, safety, and policing has been identified as the second most important issue for Calgarians three out of the last four years. It ranked fourth in 2024, following significant investment by the CPS into initiatives targeting gun violence and social disorder. The Commission's 2024 Community Perception Survey also showed slight improvement in Calgarian's feelings of safety, however, 60 per cent of respondents did not believe the CPS was adequately staffed.

The Commission believes that steady progress is being made to alleviate staffing issues and better address the crime and social disorder that contributes to Calgarians feeling unsafe. However, not continuing with the planned staffing growth and other work planned for the 2023-2026 budget cycle will likely stop and potentially reverse this progress. Therefore, the Commission is requesting that Council proceed with this option and provide enough additional funding to cover the budget shortfall and prevent any reduction in service levels at the CPS.

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Option 2 – Partially fund the fine revenue shortfall

The CPS has been working to try to manage the budget shortfall and has a cross-disciplinary team looking at all the ways spending could be reduced to cover it. The Service has currently identified approximately \$10.2 million in savings, but they will have the following impacts:

- Not filling the 28 new police officer positions that were approved for 2025
- Postponing the filling of 33 existing vacant police officer positions
- Freezing all civilian hiring outside of critical needs and positions funded by other government grants

While the Commission always expects the CPS leadership to find efficiencies where they should exist, the list above will reduce service levels, reduce the number of officers available to respond to calls for service, significantly impact employee morale and wellness, and hinder the CPS' ability to address Calgarians' crime and social disorder concerns.

Option 3 – Provide no funding for the fine revenue shortfall

The Commission and the CPS see no way to manage a \$28 million shortfall without ceasing services that the community values. Approximately 84 per cent of the police budget is wages and salaries, six per cent covers facilities and vehicles, and three per cent covers basic equipment. This leaves only seven per cent (or \$41 million) to cover everything else, including wellness and mental healthcare for officers, radios and phones, and other business expenses.

To manage the full shortfall, all growth hiring would need to stop and an internal restructuring of the CPS would be necessary. Units focused on crime prevention, community-based programs, and intervention efforts would need to be downsized or disbanded so officers could be redeployed to front line policing to keep up with the calls for service.

These changes would make staffing shortages at the CPS worse, affecting employee morale and wellness. Calgarians would also experience a significant reduction in the services provided by the CPS and efforts to proactively address open drug use, crime, and social disorder in public spaces would be severely impacted.

REMOVING FINE REVENUE FROM THE POLICE BUDGET

In February 2024, the Commission examined why fine revenue is part of the police budget and what impacts result from this funding model. The research showed that providing fine revenue to the police undermines public trust, can put undue influence on operational decisions, and erodes officer morale without actually encouraging more traffic law enforcement.

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The Commission's position is that all fine revenue should be removed from the police budget as soon as practicable, and the funding should be replaced with other funding sources.

In total, the CPS has budgeted to receive \$47.7 million in shared fine revenue each year but now estimates that it will only receive approximately \$20 million. While it is up to Council to decide how the police budget is funded, the Commission recommends that the City of Calgary retain all fine revenue moving forward and provide the CPS with \$47.7 million of other funding.

The net cost to The City of this exchange would be the \$28 million difference between projected and actual fine revenue. The CPS is also working to apply for exemptions to allow some additional automated traffic enforcement locations where warranted, and any exemptions that are granted would reduce the net cost to some degree. There is no estimation for how much could be expected from exemptions as the province is still finalizing the parameters for how exemptions will be considered and approved.

Changing the model of police funding to remove fine revenue would ensure that enforcement decisions are not being made by the same people who have to manage the revenue implications of those decisions. This removes any real or perceived conflict of interest, ensuring that enforcement decisions are only being driven by public safety considerations.

The Commission does not have a position or recommendation on how Council should spend the shared fine revenue after The City retains it, as that is completely within Council's purview.

DATA AND ADVOCACY COOPERATION

The Commission appreciates Council's direction to City Administration that support be provided to advocate with the province regarding the public safety benefits of automated enforcement and the need for exemptions at high-collision locations in Calgary.

The CPS and City Administration are already completely integrated when it comes to sharing road safety data and are already working together to prepare business cases for exemptions at high-collision locations.

The Commission is also grateful to Council and City Administration for any advocacy support that can be provided to reverse the new regulations. However, the provincial government has shown little interest to date in revisiting their decision on automated enforcement regulations.

CONCLUSION

The Commission is grateful for Council's help in addressing the police budget shortfall. Public safety is a top priority for Calgarians, and we look forward to further discussing this matter.