REPORT
Peel Police Service Board
For Decision
File Class: 1-01-02-01
Cross-Reference File Class: 2-03-03-02

Date: **October 21, 2025**

Subject: **2026 OPERATING & CAPITAL BUDGET REPORT**

From: **Nishan Duraiappah, Chief of Police**

Recommendation

It is recommended that the Peel Police Service Board (P.P.S.B.) approve the following budgets:

1. 2026 Operating Budget in the amount of $837,270,000 consisting of:
   a. Peel Regional Police (P.R.P.) - $835,748,700
   b. P.P.S.B. - $1,521,300

2. 2026 Capital Budget totalling $378,504,000

3. The inclusion of $12,400,000 in operating funding to support the 2026 Capital Budget for new facility capital infrastructure for the Region's required Community Safety Levy

4. 2026 10-Year Capital Plan totalling $1,778,535,000 be received in principle for financial planning purposes

REPORT HIGHLIGHTS

- The 2026 Operating Budget totalling $837,270,000 results in a budget increase of 9.9% and is inclusive of an additional 175 officers and 25 civilian professionals.
- The 2026 Capital Budget totals $378,504,000 and the 10-Year Capital Plan totals $1,778,535,000.
- To support the previously approved Capital Budget for new facility capital infrastructure, $12,400,000 in operating funding is required for the Region of Peel (the Region)'s Community Safety Levy.
- On September 26, 2025, the P.P.S.B. Finance Committee reviewed the 2026 Operating and Capital Budget.

Discussion

The P.R.P. 2026 Operating Budget totals $837.3 million, an increase of $75.4 million or 9.9% over the 2025 approved level of funding.

This is partially funded by a projected 0.9% increase in assessment revenue resulting in a net tax levy of 9.0%. **Appendix A** contains the 2026 - 2029 Business Plan in the Region's format.

1. 2026 Operating Budget - $837,270,000

The 2026 Operating Budget reflects an increase of $75.4 million over the 2025 approved level of funding and includes an additional 175 officers and 25 civilian professionals.

a. Base Budget Pressures

i. Cost of Living/Inflation

- The budget includes an increase of $24.7 million for salaries and benefits for existing staff and $12.8 million for the deferred cost of 2025 additional officers.

- $7.6 million is included for inflationary pressures on operating requirements.

ii. Base Subsidy Recoveries

- The budget includes an increase of $0.03 million related to recoveries from other agencies for services provided.

b. Service Demands

The budget includes $30.3 million for 175 officers (funding totalling $8.5 million has been deferred to 2027), and 25 civilian professionals to address historical underinvestment in staffing, regional growth (population, households, registered vehicles, and calls to 9-1-1), growing community needs and demands, increasing complexity of crime, and our commitment to community safety.

2. 2026 Capital Budget - $378,504,000

The 2026 Capital Budget totalling $378.5 million includes capital investments to expand, maintain and/or replace critical infrastructure, vehicles, equipment, facilities and technological assets. The 10-Year Capital Plan totalling $1,778.5 million supports the investment into our infrastructure and addresses replacement of aging buildings, as well as new buildings, to support the growth within our community and is presented for financial planning purposes.

3. 2026 Operating Required to Fund Capital Infrastructure - $12,400,000

To support the 2026 Capital Budget for new facility capital infrastructure, $12.4 million in operating funding is required for the Region’s Community Safety Levy.

4. Financial Disclosure Requirements

In 2009, additional financial disclosure requirements were put in place by Ontario Regulation 284/09. This resulted in P.R.P. having to recognize additional liabilities related to post-employment benefits and amortization.

The post retiree and post-employment benefits liability as at December 31, 2026, is estimated at $125.1 million. This liability represents P.R.P.’s obligation for future benefit costs for retirees and members on long-term disability in accordance with provisions contained in the collective agreements. At this time, P.R.P. has funded $57.3 million or 47.8% of this liability.

In accordance with Ontario Regulation 588/17 - Municipal Asset Management Planning, P.R.P.'s Fleet and Facilities assets have been included in the Region's Infrastructure Status and Outlook reporting. In 2024, P.R.P.'s Fleet Management collaborated with the Region to implement an integrated asset management system that will be rolled out to other departments and services. P.R.P. will continue to work with the Region's staff to integrate Information Technology assets into future reports. Budgeted infrastructure reserve contributions exceed the estimated 2026 amortization expense for tangible capital assets.

5. **Strategic Plan Alignment**

Goal: 3. Accountability, Equity and Service Excellence
Objective:
3.3 Ensure effective/sustainable resource planning through annual budget/financial report/service delivery reviews.

Conclusion

On September 26, 2025, the P.P.S.B.'s Finance Committee reviewed the 2026 Operating and Capital Budget.

Approved for Submission

Nishan Duraiappah, Chief of Police

For further information regarding this report, please contact Karen Doobay at extension 4200 or via email at 501c@peelpolice.ca.

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Encl: Appendix A