



Police Operations – Lower Mainland Partners

New Financial Model – Service Line Summary

October 2026

Four changes in the new Financial Model

Two structural changes that reallocate cost (cost-neutral overall), and two cost pressures that add new cost from 2027.

Structural Changes— cost-neutral

1. Cost Model

How costs are allocated across E-Comm's service lines, to more fairly reflect resources used. Corporate-cost allocation shift from Radio: Radio partners currently pay 65% of corporate costs; under the new model, radio partners will pay approximately 14% (including NG9-1-1 Contracted Partners), with other partners paying their fair share.

2. Pricing Model

How each service line's cost is divided among partners. New pricing for 9-1-1 and police call services only — radio, fire dispatch services and fire technology already have established models. The existing model does not reflect how services are actually consumed.

- Police call-taking pricing metrics: 25% population and 75% call volume.
- Police dispatch pricing metrics: # of dispatch seats.
- Admin metrics: % share of workload

Cost Changes

3. Five-Year Plan

Projected future spending — wage projections and priorities like technology transformation and the third operating facility — mitigated by cost containment. We have heard partners' concerns and reduced core spend even against wage and technology inflation.

4. Next Generation 9-1-1 (NG911)

Future projected NG9-1-1 operating costs borne by partners starting in 2027, when current funding expires.



Reducing the cost base before 2027 service fee

What E-Comm has already done to shrink the size of the 'pie' — before any 2027 service fee is calculated.

Held flat

Corporate cost reduced/reallocated

Excluding strategic initiatives, corporate ('overhead') cost falls from \$25.5M (2026) to \$25.1M (2027).

Held flat

Total cost base, before NG9-1-1

Fully-loaded cost base \$154.1M (2026) → \$153.9M (2027), even against wage and technology inflation.

+\$3.7M

NG9-1-1 — the unavoidable add

Next Generation 9-1-1 is recovered through partner service fees from 2027 (\$3.7M across all partners) as provincial start-up funding ends.

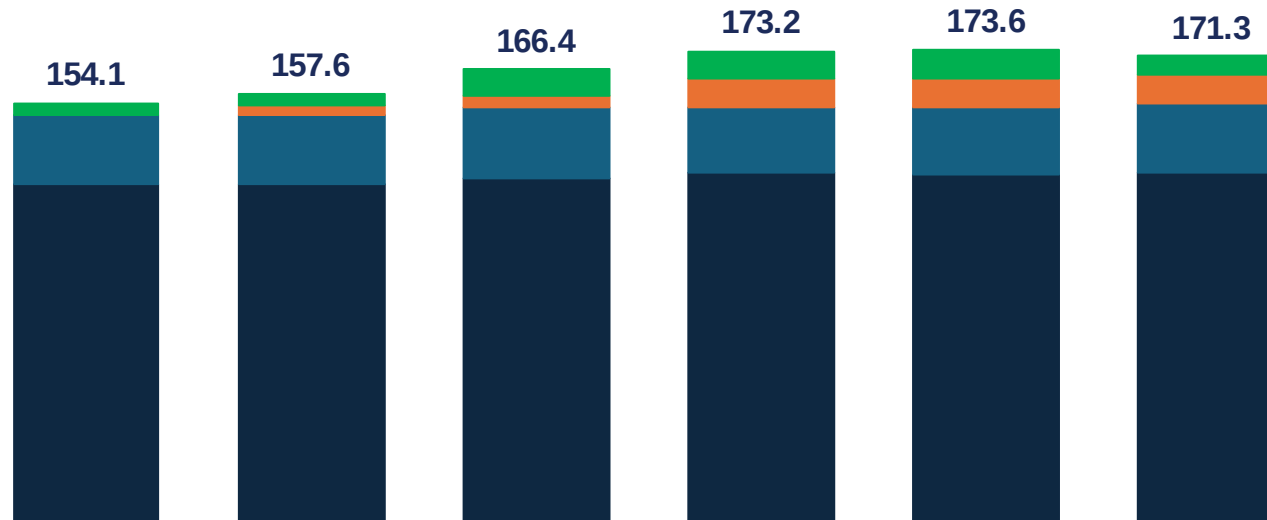
How we are containing cost

- Reducing corporate costs and flattening growth in operating costs.
- Re-prioritizing and re-profiling the Five-Year Plan against partner feedback.
- Targeting technology investments (cyber, business continuity) to mitigate primary risks.



We heard you — costs contained, investments deliberate

E-Comm's full cost base over the Five-Year Plan: the core we control is held essentially flat — the growth is deliberate or mandated investment.



Held flat

Corporate cost held flat.
\$25.5M (2026) → \$25.4M (2031).

Held flat

Core Direct costs flatten despite wage pressures:
\$124.3M (2026) → \$128.5M (2031).

NG9-1-1

NG9-1-1 is the add: \$3.7M (2027) → \$10.7M (2031)
— federally mandated, provincial grant funding ends 2026.

Deliberate

Strategic investments in technology transformation and resilience to mitigate enterprise risks and enable cost containment.

\$M	2026	2027	2028	2029	2030	2031
■ Direct	124.3	124.1	126.3	127.9	127.7	128.5
■ Corporate	25.5	25.1	25.8	24.7	24.7	25.4
■ NG9-1-1	—	3.7	4.2	10.2	10.5	10.7
■ Strategic Initiatives	4.3	4.7	10.1	10.4	10.8	6.7
Total	154.1	157.6	166.4	173.2	173.6	171.3
Annual % Change		2.3%	5.6%	4.1%	0.3%	(1.3%)



Next Generation 9-1-1: Reasons for operating-cost increases

Sustainment costs include staffing, equipment (hardware, software and maintenance), network connectivity and system/security monitoring.

NG9-1-1 cost drivers

Adoption of federally-mandated NG9-1-1 requires a full replacement of legacy technology, and the introduction of a new high-speed network

The old, existing “E9-1-1” technology is no longer supported, we can no longer buy equipment or support, and the infrastructure cannot support modern, data-intensive traffic.

NG9-1-1 is internet-based

Emergency calls now travel across an IP-based network, creating the need for high-speed connectivity and the ability to send and receive large amounts of data.

Higher cybersecurity/business continuity risk

Moving from an old, closed-circuit system to a modern, digital IP-based system also increases the attack surface for cyber threats such as ransomware. Ensuring robust security and business continuity is complex and expensive.

Multimedia integration

Unlike traditional systems that handle only audio, NG9-1-1 will eventually handle video and text messages from various sources.

NG9-1-1 cost drivers (cont.)

New staffing demands

System change will be more frequent - once organizations adopt NG9-1-1 they must stay current. New skillsets are required, such as in application management and security, along with additional capacity to manage the new network, dynamic system and increased internet-based risk.

Call-taking and dispatch personnel must be trained on new, complex digital systems, and additional staffing will be required to support higher call volumes and longer handling times once multimedia options are introduced.

Ongoing Investment

Beyond initial implementation, ongoing maintenance of complex digital systems adds long-term financial pressure.

Infrastructure follow defined lifecycle refresh cycles, typically on a five-year cadence, meaning capital reinvestment is a recurring cost of operating an NG9-1-1 environment.

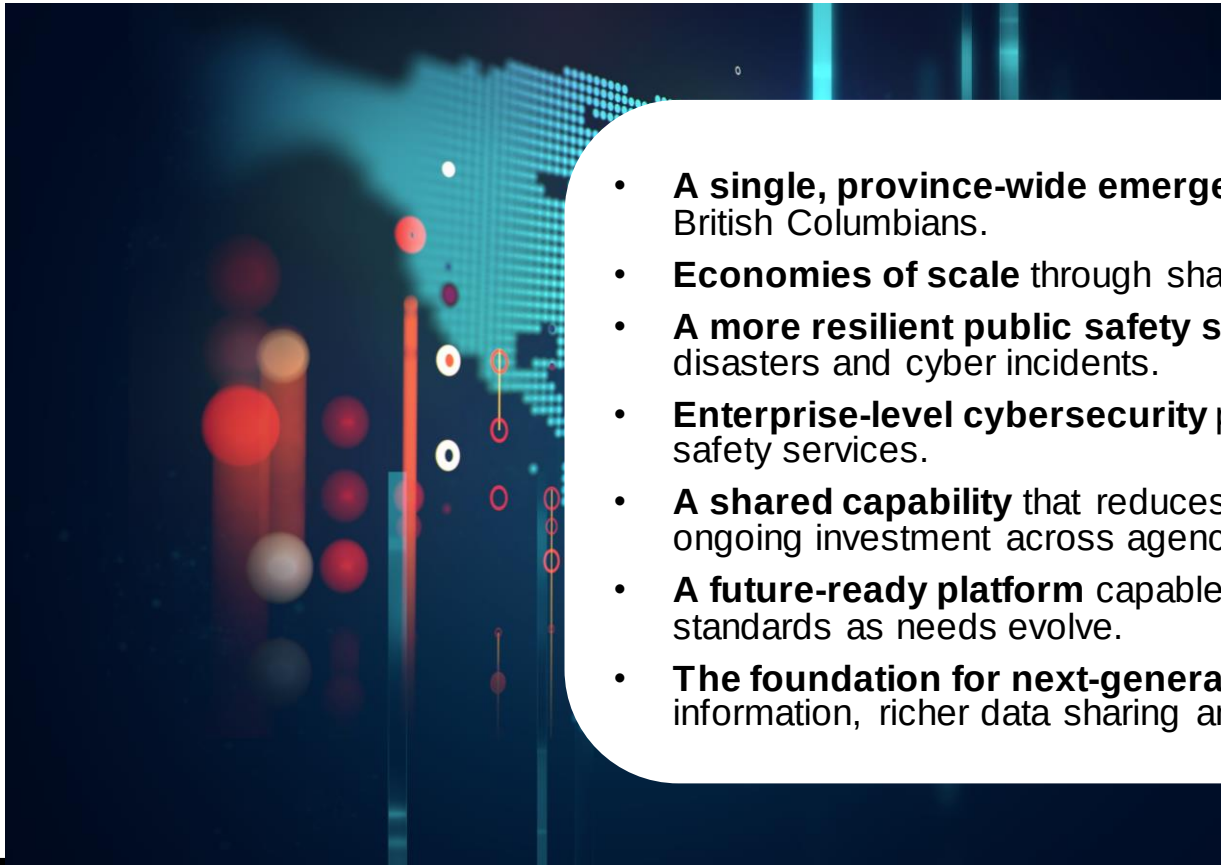
Changing technology landscape

Hardware and software vendors are increasingly shifting to subscription-based models where ongoing costs are higher. The impact is typically an increase in the total cost of ownership.



Benefits of our provincewide approach to NG9-1-1

The value and public-safety benefits of our shared-service approach in B.C.

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- **A single, province-wide emergency communications platform** serving most British Columbians.
 - **Economies of scale** through shared system and service.
 - **A more resilient public safety system** designed to continue operating during disasters and cyber incidents.
 - **Enterprise-level cybersecurity** protecting one of BC's most critical public safety services.
 - **A shared capability** that reduces duplication of technology, expertise and ongoing investment across agencies.
 - **A future-ready platform** capable of adopting new emergency communications standards as needs evolve.
 - **The foundation for next-generation public safety**, including better location information, richer data sharing and future digital emergency services.



The Cost Model — categorizing and sharing E-Comm's costs

Costs are categorized into direct and corporate; corporate costs are now allocated as a percentage of direct costs — a fairer sharing across service lines.

Direct costs — of each service line

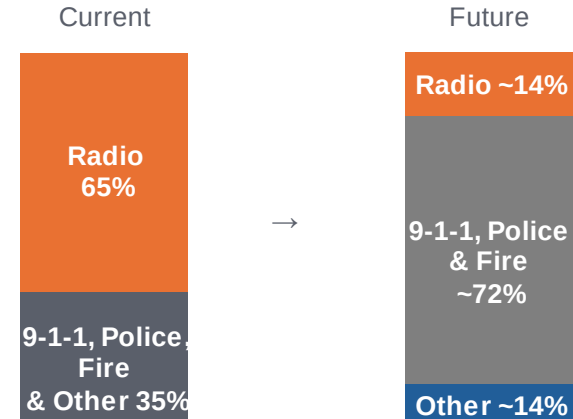
The resources a service line would need even if it were the only service E-Comm delivered — front-line staff, systems, software licensing, dedicated support.

Corporate costs — a portion of shared support

Foundational resources shared by all service lines — facilities, finance, HR, network, cybersecurity, the service desk, and technology infrastructure.

Now allocated to each service line as a % of its direct costs.

Corporate cost allocation — the shift across service lines



- Shift from Radio to police, fire & 9-1-1 call-taking services.
- More accurately reflects usage of corporate services.
- Given the size of the shift — a 3-year transition (Radio's corporate share: 50% → 30% → 14%).



The Pricing Model – why shares shift

Methodology and impact across the Lower Mainland police pool — call volumes, population and dispatch seats.

The Lower Mainland police pool — 2026 pricing drivers

- 13 police agencies share one pool: \$73.0M at full implementation of the new model on the 2026 budget.
- Drivers (2026 forecast): population 1.85M; emergency calls 533K; non-emergency calls 333K; CAD files 547K; 21 dispatch seats — an average of 26,005 CAD files per seat.
- Each agency's share is set by its call volumes, population and dispatch seats instead of the status-quo dispatch fee; the pool total does not change.
- 8 of 13 agencies' shares rise (by up to 2.0 percentage points) and 5 fall (by up to 5.3 points). Larger partners' proportionate share generally decreases; smaller, higher-growth communities increase.
- Population growth 2020–2026: agency average 10.5% (median 10.0%).

How shares are set

ER & NER call-taking: 75% call volume + 25% population.

Dispatch: share based on # of Seats; Shared seat split by % share of CAD volume.

Admin (CPIC / transcription): measured share of workload (periodic sampling).

What's driving it

- Call-taking shares follow 75% call volume + 25% population; dispatch follows seats — agencies whose volumes and seats exceed their status-quo share pay more, and vice versa.
- Admin (CPIC / transcription) follows each agency's measured share of workload.
- Seat utilization averages ~26K CAD files per seat across the pool (ideal range 20–25K; above ~25K a shared or added seat is configured).



LMD Police — the Financial Model on a 2026 basis

If the Cost and Pricing Models were fully implemented in 2026,— before the 3-year transition and the 2027 cost pressures.

Agency / Business Line	2026 Status Quo	2026 Δ Cost Model	2026 Δ Price Model	2026 New Model	2026 Δ (\$)	2026 Δ (%)
LMD Police — pool (13 agencies)	66,557.3	6,423.5	-	72,980.9	6,423.5	9.7%
Police call taking (ER)	-	2,012.7	20,854.7	22,867.4	n/a	n/a
Police dispatch	-	3,157.0	-33,846.1	35,868.3	n/a	n/a
Non-emergency (NER)	-	1,087.2	11,264.9	12,352.1	n/a	n/a
Admin (CPIC / transcription)	-	166.6	1,726.5	1,893.1	n/a	n/a

- Cost Model: the LMD police pool takes on a larger share of E-Comm's corporate costs — +6,423.5 (\$000s) at full implementation, allocated to call taking, dispatch, non-emergency and admin services as a % of their direct costs — offset across E-Comm by the Radio pool's decrease.
- Pricing Model: cost-neutral across the pool — the same 72,980.9 (\$000s) is divided on dispatch seats, call volumes and population instead of the status-quo dispatch fee; 8 of 13 agencies' shares rise and 5 fall.

Structural change only. The 3-year transition, the 2027 cost pressures and the reserve follow on the next pages. The 2026 status quo was billed as a single police dispatch fee; the new model prices four service lines.



From the Financial Model to the 2027 service fees

The transition over three years, the other 2027 factors layered on, the reserve applied — and the 2027 fees across the pool.



How the 2027 service fees are built — step by step

Five steps from the 2026 status quo to the 2027 fees. Resulting pool-level figures are on the following pages.

1 Cost Model

STRUCTURAL

Costs categorized into direct and corporate; corporate allocated to each service line as a % of its direct costs.

2 Pricing Model

STRUCTURAL

Police and 9-1-1 pool costs divided among partners on drivers — call volumes, population, dispatch seats. Cost neutral across the pool.

3 3-Year Transition

SMOOTHING

No partner absorbs the change at once — the new model phases in across 2027–2029.

4 2027 Cost Factors

COST PRESSURE

The updated Five-Year Plan (net of containment) and NG9-1-1 — provincial start-up funding ends.

5 Surplus/ Reserve

RELIEF

Prior-year surplus and operations reserve applied against the increase — choice of timing across 2027–2028.



The transition approach — over 3 years

We recognize these are big changes — the Cost and Pricing Models phase in across 2027–2029.

Agency / Business Line	2026 Status Quo	2026 New Model	2027 Transition Adjustment	2027 Adjusted	Adjusted Δ (\$) vs 2026	Adjusted Δ (%) vs 2026
LMD Police — pool (13 agencies)	66,557.3	72,980.9	-5,617.8	67,363.0	805.7	1.2%
Police call taking (ER)	-	22,867.4	-1,773.8	21,093.6	n/a	n/a
Police dispatch	-	35,868.3	-2,842.4	33,025.9	n/a	n/a
Non-emergency (NER)	-	12,352.1	-858.4	11,493.7	n/a	n/a
Admin (CPIC / transcription)	-	1,893.1	-143.2	1,749.9	n/a	n/a

For the pool the transition adjustment is negative (-5,617.8, \$000s): the corporate reallocation phases in over three years rather than arriving at once — the 2027 adjusted fee is 1.2% above the 2026 status quo, versus 9.7% at full implementation.

Cost Model phase-in

Corporate allocation moves to a % of direct costs over three years. Radio's corporate share steps down: 50% (2027) → 30% (2028) → ~14% (2029).

Pricing Model phase-in

New Police pricing phases in over the three years — smoothing the year-one impact for partners whose share moves most.



LMD Police — the other 2027 factors

For the LMD police pool NG9-1-1 is the main 2027 cost pressure (+1,650.8, \$000s); the updated Five-Year Plan adds +785.9.

Agency / Business Line	2026 Status Quo	2027 Adjusted	2027 Δ 5-Yr Plan (excl NG)	2027 Δ NG911	2027 Total Fee (Gross)	2027 Δ (\$) vs 2026	2027 Δ (%) vs 2026
LMD Police — pool (13 agencies)	66,557.3	67,363.0	785.9	1,650.8	69,799.7	3,242.3	4.9%
Police call taking (ER)	-	21,093.6	30.5	915.7	22,039.8	n/a	n/a
Police dispatch	-	33,025.9	1,663.5	625.7	35,315.1	n/a	n/a
Non-emergency (NER)	-	11,493.7	-937.8	109.4	10,665.2	n/a	n/a
Admin (CPIC / transcription)	-	1,749.9	29.7	-	1,779.6	n/a	n/a

NG9-1-1 operating costs arrive in 2027 as provincial start-up funding expires (+1,650.8, \$000s across the pool — 915.7 call taking, 625.7 dispatch, 109.4 non-emergency).

The Δ 5-Year Plan column is small (+785.9, \$000s across the pool) because cost containment largely offsets wage-driven increases in direct operating costs.



LMD Police — 2027 service fees (the bottom line)

The 2026 status quo and the 2027 service fees across the pool — gross, reserve applied, and net.

Agency / Business Line	2026 Status Quo	2027 Total Fee (Gross)	2027 Reserve Usage	2027 Fees Net of Reserve	2027 Δ (\$) vs 2026	2027 Δ (%) vs 2026	2027 Fee Δ (%) Range
LMD Police — pool (13 agencies)	66,557.3	69,799.7	-1,872.9	67,926.8	1,369.5	2.1%	0% to 4%
Police call taking (ER)	-	22,039.8	-591.4	21,448.4	n/a	n/a	
Police dispatch	-	35,315.1	-947.6	34,367.5	n/a	n/a	
Non-emergency (NER)	-	10,665.2	-286.2	10,379.1	n/a	n/a	
Admin (CPIC / transcription)	-	1,779.6	-47.7	1,731.8	n/a	n/a	

Reserve — a temporary bridge, not a permanent change to service fee. \$1.87M of operations reserve is applied across the pool in 2027 and a further \$3.11M in 2028; a minimum reserve balance is retained for future predictability.

Across the 13 agencies — 2027 net fee changes range from -12% to +21% (median +5%); 11 agencies increase and 2 decrease. Each agency's change depends on its share under the pricing model and its transition path.

Timing — partners may weight their reserve relief into 2027 instead of 2028; E-Comm acts on each partner's preferred timing.

Range — fees are presented with a $\pm 2\%$ planning band, rounded to whole percentages, pending the 2027 budget build; final fees are confirmed at the November Board.



LMD Police — service fees over five years

Year-over-year change in pool service fees, net of reserve, shown as $\pm 2\%$ planning ranges (whole percentages). Net fees (\$M) are shown above each range.

Agency / Business Line	2027	2028	2029	2030	2031
LMD Police Services — pool	\$67.9M 0% to 4%	\$75.4M 9% to 13%	\$85.3M 11% to 15%	\$87.9M 1% to 5%	\$87.3M -3% to 1%
Pool — excl. NG9-1-1	\$66.3M -2% to 2%	\$73.5M 9% to 13%	\$80.7M 8% to 12%	\$83.2M 1% to 5%	\$82.5M -3% to 1%

- No reserve from 2029 — gross = net
- Pool fees rise to 2029 as the corporate reallocation and NG9-1-1 phase in, flatten in 2030 and edge down in 2031
- Cost containment and savings efforts continue: technology enablement & process efficiency.



The value of E-Comm's consolidated model

Significant qualitative and quantitative benefits to scale and consolidated delivery model.

- EY completed an independent business case analysis comparing E-Comm's consolidated model to illustrative standalone delivery models.
- Overall EY finding: **"Across all modeled scenarios, standalone delivery is consistently and materially more expensive than the consolidated E-Comm model."**
- The analysis found that E-Comm's scale allows fixed operating costs (e.g., minimum staffing levels) to be shared across a larger service base, resulting in lower overall costs.
- EY also identified operational benefits, including greater resilience, performance stability, surge capacity, interoperability, and access to specialized expertise.



LMD Police — Comparative Metrics

For police services.

Pricing metrics — 2026 forecast

Financial metrics — based on 2026 new model

Metric	LMD pool average*	Spread across agencies	Benchmark
Cost per Emergency Call	\$42.91	\$40–\$52	\$35-50
Cost per Non-Emergency Call	\$37.13	\$36–\$42	\$25-40
Cost per capita	\$35.83	\$22–\$80	\$16 - \$55/person
Cost per Dispatch Seat	\$1.705M	\$1.69M–\$1.73M	n/a

Pricing metric	2026 pool value	Weight	Source & basis
Population	1,846,392	25% (call taking)	BC Stats Population App; 2026 forecast; PAF-adjusted for call taking
Police ER call volume	532,974	75% (ER)	Estimated: agency CAD files × the LMD-wide ratio of ER calls per CAD file; 2026 forecast
Police NER call volume	332,670	75% (NER)	Annualized 2025 actuals, forecast to 2026
CAD files	546,885	shared-seat split	E-Comm CAD system; 2026 forecast
Dispatch seats	21	100% (dispatch)	Ops channel configuration; >25K CAD files = shared / added seat
Admin (CPIC / transcription)	measured share	100% (admin)	Measured workload sampling, 2024 Q1 & 2025 Q4

How these metrics adjust over time

- Quarterly reporting by agency begins January 2027 and will include these comparative metrics and the underlying driver data.
- Population and call volume / CAD volume numbers will be reviewed and adjusted every three years. A significant addition or deletion of a partner will also trigger review and adjustment.
- * Pool averages on the 2026 new-model basis; cost per capita excludes Burnaby RCMP (no non-emergency call taking with E-Comm). Spread = lowest to highest agency value; the top of the capita spread reflects the RCMP “E” Division (R43) contract’s population basis.



Appendix

Pricing detail, model transition, corporate costs and the pool five-year view.



Appendix — Pricing model: metric weightings

Weightings applied to the metrics in the Price Model for 9-1-1 and Police services.

Service Line	Metrics
9-1-1 Call Taking	911 Call Volume 75% + Population 25%
LMD Police Emergency Call Taking (ER)	Police ER Call Volume 75% + Population 25%
LMD Police Non-Emergency Call Taking (NER)	Police NER Call Volume 75% + Population 25%
VI Police Call Taking (ER and NER)	Police CAD File Volume 75% + Population 25%
Police Dispatch	Dispatch Seats 100% Shared seats are determined by Police CAD Files Volume share
LMD Admin (CPIC / Transcription)	Based on average share of workload (sampling)
Fire Dispatch	Fire CAD Tasks 50% + Radio Duration 50%



Appendix — Model transition detail (2027 → 2029)

Corporate cost allocation phases in across the three years (same for all partners); LMD police pool service fee by year.

Corporate cost allocation by service line (%of corporate costs)

Service Line	2027	2028	2029
Radio	50%	30%	14%
Police LMD	25%	38%	45%
Police ECVI	8%	11%	13%
Fire	4%	6%	7%
9-1-1	4%	6%	7%
Other	5%	5%	5%
NG CP	5%	5%	10%

Including the NG Contracted Partners lowers the projected Radio share of corporate costs to approximately 14% in 2029. This will be validated through the new financial model when we prepare the detailed budget for 2029.

LMD police pool: service fee (\$M) by year

Service / metric	2027	2028	2029
Pool service fee — gross (\$M)	\$69.8M	\$78.5M	\$85.3M
of which NG9-1-1 (\$M)	\$1.7M	\$1.9M	\$4.6M
Operations reserve applied (\$M)	-\$1.9M	-\$3.1M	—
Pool service fee — net of reserve (\$M)	\$67.9M	\$75.4M	\$85.3M



Appendix — E-Comm corporate costs by department

What makes up corporate ('overhead') cost. How corporate costs are shared across service lines is covered on the Cost Model page.

Corporate departments (cost centres)

- Technology / IT — infrastructure, PMO & service delivery, security, telephony, service desk, GIS & database
- People & Culture (HR)
- Finance & Administration
- Communications & Public Affairs
- Governance & Legal Services
- Data & Analytics
- President's Office (Executive)
- Facilities

Corporate cost base

\$25.5M (2026) → \$25.4M (2031) — held flat through containment and reallocation, matching the five-year plan page.

Summary corporate costs

(\$ millions)	2026	2027	2028	2029	2030	2031
Corporate costs	25.5	25.1	25.8	24.7	24.7	25.4



Appendix — LMD Police Services: 5-year cost summary

Police Services direct costs are contained — the growth to 2029 is the corporate reallocation phasing in and mandated NG9-1-1, not new core spend.

(\$ millions)	2026 Status Quo	2027	2028	2029	2030	2031
Total Direct Costs	n/a	61.2	65.4	67.4	69.4	68.4
Total Corporate Costs	n/a	7.0	11.2	13.2	13.8	14.1
Total Core Expenditures	66.6	68.1	76.6	80.7	83.2	82.5
NG911 – E-Comm Costs	n/a	1.7	1.9	4.6	4.7	4.8
Total Expenditures	66.6	69.8	78.5	85.3	87.9	87.3
YoY % change	n/a	+4.9%	+12.4%	+8.7%	+3.1%	-0.7%

Contained

Direct costs grow ~3% a year on average — \$61.2M (2027) → \$68.4M (2031) — against wage and technology inflation.

Reallocation, not new spend

Corporate allocated to this pool doubles (\$7.0M → \$14.1M) as Radio's share steps down 50% → 30% → ~14% through 2029 — the Cost Model phasing in, cost-neutral across E-Comm.

NG9-1-1 — mandated add

\$1.7M (2027) → \$4.8M (2031), federally mandated; provincial grant funding ended 2026.

