



INFORMATION SHEET

Police Bridging Capital

BACKGROUND

In 2009, the City of Duncan was required to start paying for Policing costs when the Province changed the policy regarding what population data set would be used for the 5,000 person threshold. In 2012, the Province reversed their policy change regarding which population data set is used which generated a refund to the City of \$1,351,519 for the policing the City had paid from April 1, 2009 to March 31, 2012.

At that time, Council had two choices:

1. Reduce the tax rate; risking large tax increases when the City ultimately goes over 5,000 people; or
2. Continue charging taxes as if the City were paying for police and use the funds to pay for capital projects that would otherwise have required borrowing.

Following a public notification period, Council decided to maintain consistency in tax rates by continuing to charge taxes as if the City were directly paying for police and to use those funds to create a Police Bridging Capital Fund (PBC) to be used for major capital projects.

PBC RESERVES

How much reserves are left in the Police Bridging Capital Fund?

As of December 31, 2019, there was \$2.7 million in the PBC Fund. The capital plan currently has projected spending of \$1.2 million in 2020 and \$1.9 million in 2021, as well as levies collected of approximately \$900 thousand each year. The PBC levy will be phased out in 2022 and 2023, and will be replaced with a Municipal Policing Levy if the 2020 census shows the City to have a population of over 5,000.

POLICING COSTS

How is the City planning on transitioning to paying the upcoming policing costs if the City passes the 5,000 threshold in the next census (2021)?

The draft 2020-2024 Financial Plan includes an increase in taxes projected of 5.5% in 2021 and 6.3% in 2022 as we assume the City will begin paying for policing costs starting in 2021. These increases include current projections for an increase to the cost per officer in 2022 and an assumption of the City paying for 8 officers, which is the number of officers the City paid for in 2009. The tax increase may be higher depending on the negotiations with the province as to how many officers we have to pay for, the associated cost per officer, offset by any phasing grants available from the Province.

The City will be in discussions/negotiations with Provincial representatives over 2020 and 2021 in anticipation of the likely crossing of the 5,000 threshold in the 2021 census.
