

OVERVIEW

The City of Duncan now has a population of 5,047 (up from 4,944 in 2016), according to the 2021 Census information released on February 9, 2022. The City will now be required to pay 70 percent of policing costs with the federal government paying the remaining 30 percent, as required by the provincial *Policing Act*, if the City utilizes the RCMP. If the City creates a municipal police force, like a select number of municipalities, it would be responsible for 100 percent of policing costs.

KEY FACTS

What happened when the City started to pay for policing in 2009?

In 2009, the City was required to start paying for policing based on provincial population estimates. Taxes were raised by over 10% each year in 2009, 2010, and 2011 to cover the cost associated. In 2009 the City negotiated transitional funding totaling \$700,000 to soften the immediate tax impact, and phase in the tax increases.

Police Bridging Capital Fund Established - 2012

In 2012, the province determined that the City did not have to pay for policing as they were now using the 2011 Census population information (pop. 4,932). When the City stopped paying for policing, the province refunded \$1,351,519 the City had paid from April 1, 2009 to March 31, 2012.

At that time, Council had two main choices:

1. Reduce the tax rate; funding capital projects with debt and risk large tax increases when the City eventually crossed over 5,000 population; or
2. Continue charging as if the City were paying for police by creating a Police Bridging Capital (PBC) levy and use the funds to pay for capital projects that would otherwise have required borrowing.

Following a public notification period, City Council at that time passed a resolution to maintain consistency in tax rates by continuing to charge taxes as if the City were directly paying for police and to use those PBC funds for major capital projects.

Police Bridging Capital Fund Continued - 2017

In 2017, the Census population was again below 5,000 (pop. 4,944). The City Council at that time again passed a resolution to maintain consistency in tax rates by continuing to charge taxes as if the City were directly paying for police and to use those PBC funds for major capital projects.

What projects has the Police Bridging Capital Fund covered?

The Police Bridging Capital reserve has funded many projects over the years, such as:

- Cowichan Aquatic Center debt payments (City portion)
- Diking infrastructure (Tier 2 Flood Projects)
- Fish gut alley storm water intake and Marchmont pump upgrades
- Station Street at Government Street Intersection upgrades
- Rotary Park Upgrades

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KEY FACTS CON'T

- Duncan Fire Hall seismic upgrades
- Canada Avenue at Ingram Street Intersection and Canada Avenue upgrades
- Cedar Avenue storm work
- Grant to Sportsplex for upgrades
- Utility undergrounding on Canada Avenue at Government Street
- Refurbishment of Pine Avenue
- Improvements to McAdam Park
- Improvements to Marchmont stormwater quality
- Purchase of 135 Kenneth Street property
- Initial planning for Cairnsmore roundabout
- Refurbishment of Third/Fourth Street lane
- Downtown groundwater level monitoring wells
- Refurbishment of Arbutus Avenue storm drains
- Geotechnical slope assessment of bank behind Cairnsmore Park

How much is left in the Police Bridging Capital Fund?

As of December 31, 2021 the Police Bridging Capital fund had a balance of \$3.3 million.

Projects that are budgeted for 2022 onwards are:

- Renewal of Marchmont Road
- Improvements to dike infrastructure on Canada Avenue
- Construction of box culvert in Fish Gut Alley (combined with a grant)
- Canada Ave flood gate, road and drainage upgrade
- Roof replacement on Cowichan Aquatic Center (city portion)
- Improvements to McAdam/Rotary Park
- Pathway and boulevard improvements on Trans Canada Highway
- Improvements to Government and Kenneth intersection

Police Bridging Capital reserves are also available to be used as tax stabilization funds to smooth the transition from provincially paid policing to City paid policing. These options will be discussed during further budget deliberations.

Next Steps?

The City will now be required to negotiate with the province to determine how many police officers will be included in a policing agreement. In addition, the City will need to negotiate with the Municipality of North Cowichan for the City's proportional contributions to the operating costs of the RCMP detachment building, including future costs for the new building under construction on Drinkwater Road.

Without any advance estimates from the province, the City's draft 2022 budget, prepared in October of last year, assumed that starting in April 2022, the City would be required to pay \$169,312 per officer per year for eight officers. This amount includes estimated amounts for transportation, equipment, training, and administration costs for each officer, as well as a portion of the operating costs for the detachment building. The City was required to pay for eight officers in 2009. The City's budget calculations are estimates and the total cost will not be finalized until the conclusion of the negotiations.

Following the conclusion of the negotiations with the province, City Council will meet to review the updated budget, and tax rates, for 2022 at a Special Committee of the Whole meeting, which is open to the public. Once a draft budget has been prepared, a press release will be issued.

WHO TO CONTACT

Questions for City staff? Contact the Finance Department at 250-746-6126.
