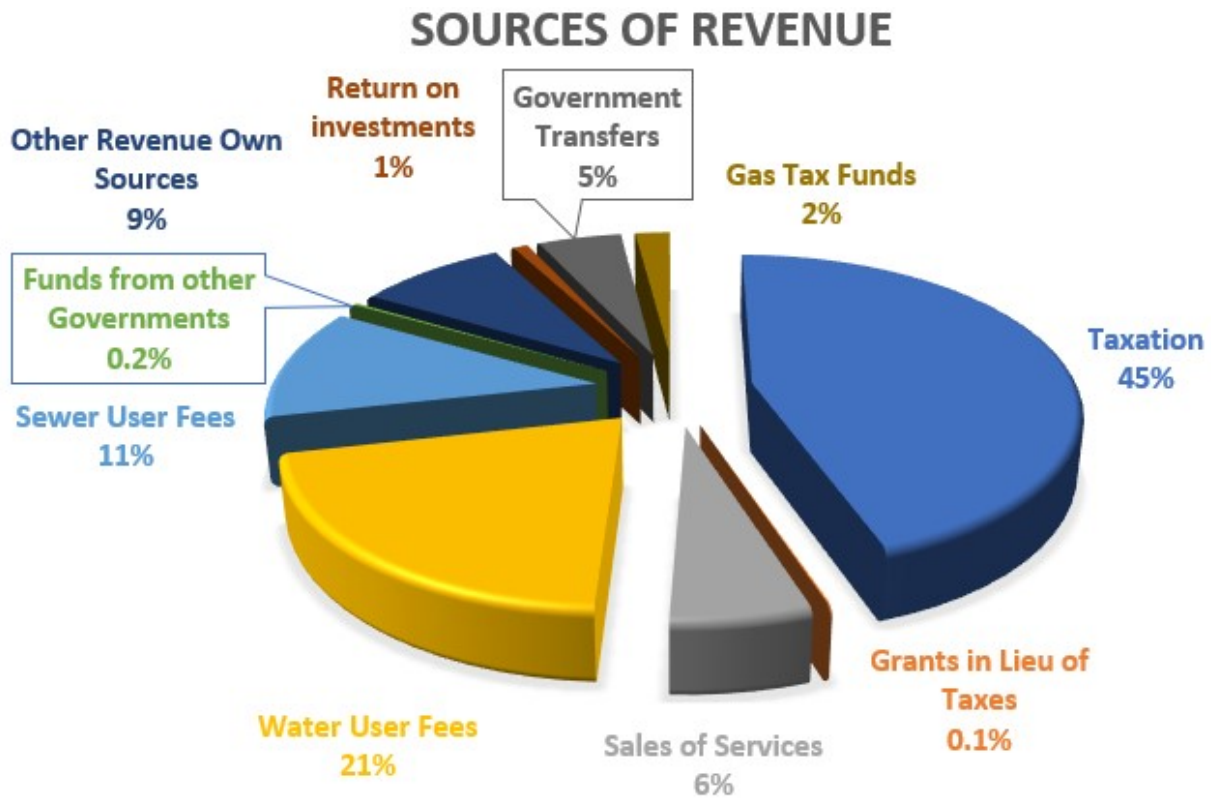


**What are City Council’s spending priorities for 2023?**

Council sets priorities that guide decisions about spending. The budget sets out how much money is required to achieve those priorities and outlines where that money will come from. Council prioritizes projects and services and decides what needs to be accomplished in the year, balanced against what those services cost the taxpayer each year. In 2023 the focus is paying for policing costs, forging ahead with necessary capital infrastructure projects and increasing safety in the City.

**SOURCES OF REVENUE**



**Other Revenue Own Sources includes:**

- Business and dog licences
- Building and related permits
- Real Estate rentals
- Parking permits
- Land use alteration fees

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## SERVICES PROVIDED

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These services are provided by the City of Duncan:

- Water
- Sewer
- Garbage, Recycling, Organics, Glass & Yard Waste Collection
- Road maintenance and repair, snow removal
- Sidewalks, Curbs, Gutters
- Storm Water Drainage
- Street Lighting
- Parks & Recreation
- Fire Protection and Inspections
- Police Protection
- Bylaw Enforcement
- Building & Development Permits and Inspections

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## SERVICES NOT PROVIDED

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These services are not provided by the City of Duncan:

- Education
- Health Care
- Highways
- Ferry Service
- Library
- Public Transit

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## YOUR PROPERTY TAX BILL

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Your property tax bill includes municipal taxes and policing levies. In addition, the City of Duncan collects taxes on behalf of these other governments and agencies:

- School
- Cowichan Valley Regional District
- Cowichan Hospital District
- BC Assessment Authority
- Municipal Finance Authority

For some business property owners, the City collects levies on behalf of the Downtown Duncan Business Improvement Area.

Most property tax bills will also have the sewer charges added on for the year.

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## TAX INCREASE

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### What is the proposed tax increase for 2023?

City Council was initially considering an increase in taxes collected of 9.9%. During budget deliberations Council made some amendments to the draft budget and is now considering an increase in taxes collected of 9.57%.

There are two major components which make up this increase:

	2022 amount	2023 amount	\$ increase
Property tax	\$3,893,497	\$4,111,837	\$218,326
Policing levies	\$1,256,754	\$1,851,313	\$594,559
Total	\$5,150,251	\$5,963,150	\$812,885
Reserve funds used	(\$75,000)	(\$320,000)	

#### Property tax:

Inflation required an increase in taxes, just to keep paying for general maintenance budgets. During the last year we are seeing higher than average cost increases on things such as fuel & repairs for our equipment, and materials used for things such as street and traffic maintenance. A significant amount of asset management planning goes into the maintenance of City infrastructure. If taxes are not increased each year to account for inflation, the result would have to be a reduction in maintenance budgets or a deferral of major capital works. This could result in the failure of an asset (equipment or municipal building) which then would require higher future taxes to pay for emergency repairs or replacement. Eventually the deferred major capital works must also be done, which would again result in higher future taxes to do the works that should have been done.

#### Policing costs:

In 2021 the City surpassed the 5,000 population mark (pop. 5,047) and had to start paying its own policing costs. Since the census was released, the City has been, and to date continues to be, in negotiations with the Province as to how many officers the City will be responsible for paying for. The issue is difficult to quantify because of the City's unique situation of being the hub of other jurisdictions.

The City has been collecting Police Bridging Capital (PBC) for several years now with the intention that it would not be such a shock when we did have to start paying for policing.

The PBC fund has provided the interim benefit of paying off the City's debt (Cowichan Aquatic Centre) and enabled several capital projects to proceed without the need for borrowing. Each year, the PBC Levy has been increased in order to limit the tax increase when the time came for the City to pay for policing again. The tax increase that Council approves is a blend between tax and PBC – see some history below.

Unfortunately, the estimated costs of policing had not been re-analyzed for several years, and the policing costs have increased far more than the amount that the PBC levy has increased. Therefore, there is additional catch up required.

The 2023 budget is drafted with the following assumptions:

- The City will require 9 officers
- The City will budget for 90% of our share of the cost of staffing the positions on the assumption that the Officer vacancy rate will be similar to North Cowichan's (10%)

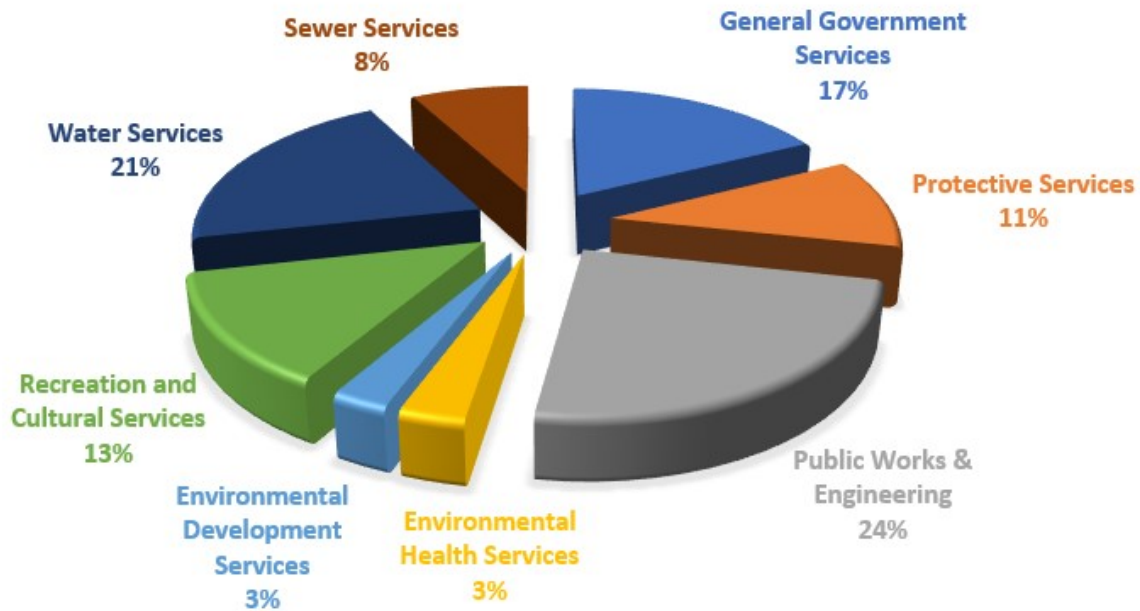
- Total policing cost for 2023 = \$1,851,313. These costs are still high level estimates and could fluctuate as we find out further information or progress in negotiations with both the Province (for number of officers needed and cost per officer) and North Cowichan (for accommodation cost sharing).
- Increase in taxation required just for policing = \$594,559
- The City will use \$320,000 of PBC reserve funds to smooth the increase

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## EXPENSES BY FUNCTION

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### EXPENSES BY FUNCTION




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## MAJOR HIGHLIGHTS

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**What are the major changes in the 2023 budget compared to 2022?** The proposed 9.57% increase is comprised of the following changes:

Revenues	\$ Increase (Decrease) in taxes collected
Traffic Fine Revenue sharing - new revenue stream	(\$14,000)
Increase to Building Permit revenue	(\$24,000)
Increase to Plan Processing Fees revenue	(\$10,000)
Increase to Dog Licence Fees	(\$2,000)
Increase to land lease revenues	(\$6,000)
EV Charging Station user fees – new revenue stream to offset costs	(\$12,000)

Increase to interest revenue	(\$19,500)
<b>Expenses</b>	
Increase to Police costs	\$594,559
Police bridging capital used for smoothing in 2022 - must now be made up	\$75,000
Increase to Council indemnities – based on 3.5% estimated CPI as per bylaw	\$6,198
Increase to Council conferences & travel	\$18,500
Portion of Council conferences & travel for LGLA funded from prior surplus	(\$7,500)
Library requisition – amount currently unknown, assumed 2% increase (out of our control – but amount may change)	\$4,000
Sick & severance increase to annual allotment	\$5,000
Truth & Reconciliation Day PW Crew costs	\$1,000
Truth & Reconciliation Day grant in aid	\$1,000
Switch from Placespeak consultation software to Engagement HQ	\$4,700
Net additional cost for full time Fire Chief (\$120,000 plus benefits per year, prorated for 9 months, less portions shared with service partners)	\$55,000
Additional call pay for Fire Department	\$2,350
Increase to pedestrian light maintenance	\$4,250
Increase to EV Charging Station repairs and hydro consumption	\$7,360
Planning ESRI software	\$5,220
Decreased cost of planning vehicle in fleet	(\$2,500)
Increased cost of bylaw vehicles in fleet	\$4,025
Increase in tree maintenance	\$5,000
3 months of Canada Ave public washroom monitoring	\$5,250
Increase to various equipment costs throughout Public Works Department	\$23,500
Increase to all wages, management & union (approximately)	\$60,000
Public works remove one student and add 1 seasonal parks labourer	\$17,600
New utility labourer (80% water, 10% sewer, 10% PW)	\$6,000
Cowichan Aquatic Center reduction in expense due to regional recreation	(\$92,664)
Sportsplex contribution reduction in expense due to regional recreation	(\$5,000)
City transfer to equipment reserve - increase	\$10,000
Fire Department transfer to equipment reserves – as above	\$2,820

Increase to taxes allocated to capital projects	\$20,000
Misc other and general increases due to inflation	\$69,717
<b>Total increase to taxation required</b>	<b>\$812,885</b>
Amount of policing reserve used for smoothing out policing costs. This acts like additional revenue so the larger the amount used, the less taxes will be collected and delays the tax increase to the following year(s).	(\$320,000)
<b>Current draft budget from increased taxation</b>	<b>\$492,885</b>

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## **WHO TO CONTACT**

For further information about property taxes, please contact Bernice Crossman at City Hall in-person at 200 Craig Street, by phone (250-746-6126) or by email ([bernice@duncan.ca](mailto:bernice@duncan.ca)).

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