

The purpose of this report is to bring forward a correction to a figure contained in the motion as well as to identify one other matter to consider should Council approve this motion.

The correction is to the sum of \$212,000 in point 1(a), which should be represented as \$172,200. The \$212,000 includes the amount for Restorative Justice that Council has already provide direction on. The \$172,200 is comprised of the following items listed on pages 5 and 6, and summarized on pages 8 and 9 of the submission from VicPD:

- | | |
|--------------------------------------|----------|
| 1. DNA Analysis | \$50,000 |
| 2. CCTV Maintenance | \$45,200 |
| 3. Landlines/Mobility | \$35,000 |
| 4. Change Mgmt Training | \$12,000 |
| 5. Special Events – first 3 officers | \$30,000 |

The other matter to consider is in relation to one time funding being provided for the Employer Health Tax and the six new officers as referred to in point 1 (d). These expenditures are of an ongoing nature and require ongoing funding. If surplus funding were to be approved for these ongoing costs in 2019, further direction regarding 2020 and subsequent years is requested so that the draft 2020 Financial Plan can be developed reflecting this direction. If no additional direction is provided, and since Council has already set overall direction through the Strategic Plan for a tax increase of no more than inflation plus 1% inclusive of police, by default these costs for 2020 onwards would necessitate funding through reductions in other programs.

The Financial Sustainability Policy provides that prior year surplus can be used for one-time expenditures and/or is transferred to infrastructure reserves. The reason for this policy is to ensure that ongoing expenditure requirements are funded by ongoing revenues, not surplus which cannot be counted on annually.

To illustrate this rationale, the following very simplistic example shows that the increase is not eliminated, but rather deferred to the following year:

	Year 1 Municipal Taxes for Average Household	Year 2 Municipal Taxes for Average Household	Year 3 Municipal Taxes for Average Household
Taxes to pay for ongoing costs without current year increase	\$ 2,300	\$ 2,300	\$ 2,350
Current year tax increase needed to fund ongoing costs	\$ 50	\$ 50	\$ 50
One-time reduction using surplus	\$ (20)	\$ -	\$ -
Tax bill	\$ 2,330	\$ 2,330	\$ 2,400
Tax increase \$	\$ 30	\$ 70	
Tax increase %		1.30%	3.00%

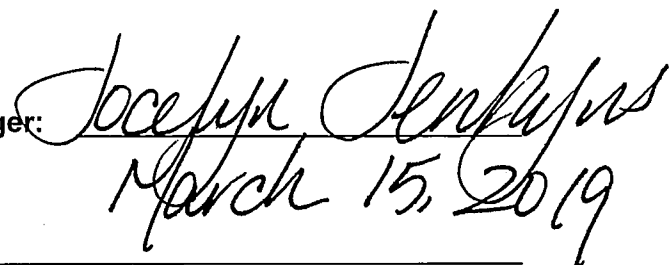
Clarifying these details is important to give Council both an understanding of the ongoing financing considerations as well as attending to the short-term budget adjustments that could result if this motion were to be approved and the budget altered accordingly.

Respectfully submitted,


Susanne Thompson

Deputy City Manager and Chief Financial Officer

Report accepted and recommended by the City Manager:


March 15, 2019