

# Anmore South Fiscal Analysis | Police Cost Information

May 23<sup>rd</sup> 2025

This letter has been prepared in response to Cllr. Richardson's email regarding policing cost assumptions in the Anmore South *Fiscal Impact Analysis* (Deloitte, April 2025) and subsequent clarifications following the April 15 Finance Committee Meeting. After a thorough review of the data, provincial frameworks, and comparable municipalities, it is evident the policing cost estimates in the Fiscal Impact Analysis are sound, fact-based, and appropriately conservative.

## Overview of RCMP Cost Estimates and Assumptions

**The RCMP cost projections in the Deloitte report are rooted in standard formulas and real-world comparisons.** There is no misrepresentation or underestimation of overhead or contract costs. The report explicitly modeled the transition of Anmore to a "police contract" municipality once the population exceeds 5,000, using data from comparable communities in BC that have made this transition. Deloitte projected Anmore's annual policing cost rising from the current ~\$313,000 (the amount Anmore effectively contributes today via the provincial police tax) to roughly \$1.08 million per year under a post-5,000 population RCMP contract. **This estimate aligns with known outcomes in other towns that recently passed the 5,000 threshold.** As an example, Osoyoos saw its policing cost increase from ~\$387,000 to ~\$903,000 when it crossed 5,000 residents (from 30% to 70% increase as it assumed responsibility for local support costs). Similarly, Oliver's budget planning upon reaching 5,094 residents in 2021 anticipated roughly \$1.0–1.1 million in annual RCMP policing expense.

These examples are consistent with Deloitte's \$1.08 million projection for Anmore. **The Village's independent consultant (Coriolis) reviewed the Deloitte analysis and found the methodology reasonable,** suggesting only a modest adjustment (on the order of ~\$156k additional, if one applies slightly more conservative assumptions). In short, the fiscal analysis used pragmatic, evidence-based estimates for policing costs and did not ignore or hide expenses.

## Policing Cost Obligations at the 5,000 Population Threshold

By law in BC, a municipality's policing responsibility changes once it surpasses 5,000 people in a federal census. Until that census-confirmed threshold is reached, Anmore remains under the provincial policing umbrella (paying only the standard provincial police tax levied on communities under 5,000). Once the threshold is crossed, the Village must transition to a Municipal Police Unit Agreement (MPUA) with the Province/RCMP, wherein Anmore would cover 70% of the RCMP "cost-base" and the federal government 30% (for population under 15,000). This is the same 70/30 cost-sharing formula that all small municipalities in B.C. follow. (For populations 15,000 and up, the share becomes 90/10 under the RCMP contract model.) **The Deloitte report fully accounted for this well-known step-up in costs.** It did not assume Anmore could avoid or somehow negotiate away these obligations; on the contrary, the model explicitly adds the new policing costs in the year Anmore is projected to exceed 5,000 residents.

The timing of this transition is determined by official census data. Even if Anmore's estimated population creeps above 5,000 between census years, the change to RCMP contract policing (and associated budget impact) would only take effect after being confirmed by a federal census. As an example, the Town of Creston temporarily dropped back below 5,000 in the 2016 census and thereby avoided contract policing for a period, whereas Osoyoos exceeded 5,000 in the 2016 count and had to start paying 70% of policing costs the following year. Recognizing this, the Fiscal Impact Analysis projects Anmore reaching 5,168 residents around the year 2043 (based on a reasonable growth trajectory for the Anmore South development) and models the policing cost increase at that point. If actual growth brings the Village population to 5,000 sooner (or later), the principle remains: the added policing costs will commence when required. There is nothing inevitable about a detached local police office or large force being required prematurely – those changes will be triggered when population warrants, and the Analysis plans for that eventual scenario.

## Detachment Structure + Overhead Costs – Anmore’s Likely Scenario

Cllr Richardson suggests that Anmore inevitably would need a standalone community police office, or incur overhead costs akin to Port Coquitlam or other larger municipalities. **This is speculative as there is no requirement for a community of ~5,000 to have its own police station, especially when embedded in a metropolitan area.** In BC, many small municipalities contract with the RCMP without building their own detachments or duplicating infrastructure. They are typically served by existing regional detachments, with costs shared proportionately. Anmore is exceptionally well-positioned in this regard – it is already served by the Coquitlam RCMP detachment (which covers Coquitlam, Port Coquitlam, Anmore, Belcarra, and nearby First Nations). This arrangement is anticipated to continue above the 5,000 population threshold. The Coquitlam RCMP has a police station and support staff that currently handle Anmore’s policing under the provincial system; after transition, the same detachment would simply operate under a contract, and Anmore would pay its proportionate share of detachment resources rather than having to build or staff a new facility.

The fiscal report explicitly notes that by sharing a detachment with Coquitlam and Port Coquitlam, Anmore’s proportional share of overhead and support costs would be very small. The “30/70” ratio Cllr Richardson cited pertains to the existing split between the two cities. Anmore would not be assuming 30% of all overhead. **All “overhead” costs (e.g. building maintenance, jail cells, front-office administration, etc.) are shared by the entire Coquitlam/PoCo policing jurisdiction of ~200,000+ residents – of which Anmore would compose ~2%– 2.5%.** Thus, any notion that Anmore would shoulder a Port Coquitlam sized burden for offices or jails is mistaken.

## Comparative Policing Costs: Small Urban vs. Rural Municipalities

As supported by provincial data, **small municipalities that are part of an urban/regional RCMP detachment generally budget lower policing costs per capita than those policed via stand-alone detachments or rural arrangements.** For example, the Town of View Royal (population ~10,800), which contracts RCMP through the integrated West Shore detachment alongside larger neighbours, spent ~\$1.25 million per year – ~\$115 per resident. By contrast, the Town of Sidney (~11,065 people, with its own RCMP station shared with North Saanich) spent ~\$2.39 million – ~\$216 per capita. This gap is largely explained by economy-of-scale and cost-sharing efficiencies. Urban settings also tend to require fewer officers per thousand residents compared to low-density rural areas, due to higher density and lower travel times.

The per-capita policing cost assumptions used in the Fiscal Impact Analysis were drawn from communities of similar size that are part of larger detachments, precisely to reflect this efficiency. The overhead and support costs are included in the per officer or per-capita benchmarks. **Deloitte did not “leave out” overhead; rather, the estimate was based on total policing expenditures of comparable towns, which include salaries, benefits, vehicles, training, support staff, and facility costs.**

## **Speculation vs. Reality: Detachments and Officer Counts**

As the policing model at 5,000+ population is well established (contracting with the RCMP), there is little value in speculation at the OCP Amendment stage. The precise detachment structure and the number of officers allocated to Anmore will be determined when the time comes, based on policing standards and negotiations with the Province/RCMP. Any specific prediction now (e.g. claiming “Anmore will need a standalone police station with X officers”) is highly speculative. **The Deloitte report recognizes that forecasting the exact configuration of policing in 2043 is imprudent given many evolving factors – from the renegotiation of national RCMP contracts to regional growth patterns and technological changes in policing.**

Upon crossing the population threshold, Anmore will gain a seat at the table to determine appropriate policing levels (currently not controlled by Anmore). Typically, small municipalities begin by contracting a relatively small number of dedicated officers, often supplemented by the general pool from the larger detachment. The specific mix and number of officers for Anmore will be based on the cost-sharing rules and the actual needs at the time. **Anmore will not be forced into an excessive policing model beyond what the population and crime levels warrant.**

## **Population Projections + Fiscal Modeling**

Cllr. Richardson raised concerns about the population projections used and whether they skew the fiscal conclusions. Deloitte’s projection for Anmore’s growth was based on detailed inputs – including anticipated development phasing in Anmore South, regional growth trends, and past growth rates. This projection shows Anmore growing from ~2,355 people in 2021 to ~4,904 in 2039 and ~5,168 by 2043. The 5,000 may be reached sooner or later based on the actual pace of development. The Fiscal Impact Analysis is not overly sensitive to the exact year, as it was evaluating the long-term sustainability of the Village finances with Anmore South fully built-out. **Deloitte concluded that even with the added policing costs, the development would generate a net positive operating impact to the Village budget. While Coriolis felt this net may be somewhat optimistic, they also identified a net fiscal benefit.**

The Fiscal Impact Analysis demonstrates that growth helps pay for growth. If growth occurs sooner, the Village will also realize new property tax revenue sooner, which can be directed to policing. Council can reserve funds in advance (as some towns have done) once the 5,000 population threshold is on the horizon, to cushion that budget impact. **In any scenario, there is no sudden unchecked cost that wasn't contemplated – it's built into the long-term financial planning.**

## Separation of Fire and Police Costs in the Analysis

The Fiscal Impact Assessment separated police and fire costs; there is no overlap or double counting. Policing and fire protection are handled via entirely different agreements (police through the RCMP/province, fire through a shared service with Belcarra) and Deloitte's analysis treated them independently. In Deloitte's fiscal model, the increase in fire operating costs due to Anmore South was calculated using the existing cost-sharing formula with Belcarra, unless otherwise noted. During review, it was suggested that a more conservative approach would be to assume Anmore bears 100% of any incremental fire service cost if, for instance, Belcarra chose not to increase its contribution. Deloitte acknowledged that as a scenario, but importantly, that fire cost discussion in no way affected the police cost estimates, which were handled via the RCMP model described earlier. The analysis clearly distinguishes the two: it has separate sections clarifying police costs (noting the assumptions about the police tax vs. contract and the ~\$1.08M future cost) and fire costs (discussing sharing vs. allocating to Anmore). **Policing costs in the fiscal analysis were accounted for entirely apart from fire services. There is no evidence that policing costs were hidden or merged in a way that obscures the true impact.**

## Conclusion

The policing cost assumptions in Deloitte's Fiscal Impact Analysis stand on a foundation of provincial policy, comparative data, and pragmatic forecasting. There is no indication that Deloitte or icona "misrepresented" overhead or contract costs – on the contrary, they utilized standard cost-sharing ratios and examples from municipalities to ensure accuracy. The concerns that Anmore would need to finance a standalone police detachment or incur disproportionate overhead costs are not supported by the facts, or the typical practices for small communities.

It bears emphasizing that predicting the exact nature of policing in 15–20 years involves some uncertainty, and Deloitte cautioned that factors like RCMP contractual changes or regional infrastructure needs could evolve. However, the analysis built in a healthy contingency by using comparable municipal data. And as noted, the growing tax base – bolstered by the new development – will put Anmore in a much stronger position to handle these costs when they arrive. Controlled growth such as the Anmore South neighbourhood will make the Village more financially resilient, not less.

Policing costs are an important matter and warrant refinement of fiscal forecasting as more information becomes available (e.g. the next census, RCMP contract updates, etc.). For the OCP Amendment and Neighbourhood Plan, the Fiscal Impact Analysis has appropriately accounted for future policing costs, and there is no basis to conclude that the consultants have misled on this matter. Anmore will not be entering uncharted territory – many small B.C. municipalities have successfully managed the transition to paying for policing, especially as part of regional detachments, and we have the advantage of learning from those precedents.

Thank you for raising these points. It is through rigorous questions and answers that we ensure the community's future decisions are well informed.

#### References:

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- Port Coquitlam 2022 Budget – RCMP service overview
- Grumpy Taxpayers of Greater Victoria – “*Policing changes transforming the region*” (Jan 2023)
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