

March 4, 2010

City Shares Preliminary Results of Budget Deliberations

After three days of budget deliberations, City Council directed staff to reduce proposed 2010 operating costs by approximately half a million dollars.

“At the beginning of the budget process, City staff presented Council with a financial plan that was approximately \$400,000 less than the 2009 budget,” says Mayor Charlie Cornfield. *“Council wants to explore options to reduce the overall budget even more.”*

“As a result of the closure of Catalyst’s pulp operation alone, taxation revenue has dropped by approximately \$900,000 for 2010,” explains Mayor Cornfield. *“We will all have to share the impact of the reduction in major industry’s tax bill, and Council and staff are working to minimize the amount that all tax classes will pay by keeping City costs as low as possible.”*

Council requested that the City’s general manager of financial services provide a report at a subsequent meeting comparing options for City operating and service cuts as well as tax shifting that could achieve further taxation reductions of \$250,000 or \$400,000. Once the report has been reviewed, Council will determine how best to allocate tax rates among the property classes.

Council is focused on *“prudent economic management and diversification of the local economy, balanced with environmental and social considerations,”* the Mayor emphasizes.

“Council identified a number of projects that optimize outside funding opportunities to build on the community’s vision and strengthen the local economy, while protecting the local taxpayer,” Mayor Cornfield adds.

Those projects include:

- Hosting the 2010 B.C. Seniors Games, anticipated to boost the local economy through sports tourism
- Continuing with the construction of the Greenways Loop in partnership with the Greenways Land Trust, which employs local resource workers, with no impact on local taxation thanks to senior government funding
- Undertaking the Highway 19A upgrade project from Hilchey Road to just south of Rockland Road, with two-thirds funding from federal and provincial governments plus existing dedicated City reserve funds
- Undertaking the Campbell River Airport runway extension project with two-thirds funding from federal and provincial governments and grant funding worth almost one-third from the Island Coastal Economic Trust
- Improving communications internally and externally by engaging our community
- Building a new community vision by renewing the Official Community Plan
- Exploring environmental sustainability initiatives and alternative energy production (ie. tidal power study)
- Enhancing parks throughout the city, plus assisting local sport groups building a new lacrosse box and upgrading tennis courts
- Supporting downtown revitalization with improved street lighting, public amenities, marketing, arts and culture activities and Spirit Square event coordination
- Expanding the City’s National Communities in Bloom participation

“Council continues to support community partnerships,” the Mayor adds. *“Council also wants to maintain protective services, fire and police.”*

“We’re working to balance the need for all services with the amount of revenue we can collect through taxation,” Mayor Cornfield concludes.

The City of Campbell River made its draft 2010-2014 financial plan available to the public on Feb. 5 and invited feedback on the plan from city residents through written submissions and survey responses. The 2010 budget proposed operating expenditures of \$43.62 million and capital expenditures \$31 million, which includes amounts for projects continuing from 2009.

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