



City of
Campbell
River

2024 - 2033 TEN YEAR
FINANCIAL PLAN

BYLAW 3941, 2023

Consolidated Version

BYLAWS



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2024 - 2033 Ten Year Financial Plan Bylaw 3941, 2023

Revised December 10, 2024

**Consolidated for Convenience Purposes to include Bylaw
No. 3980, 2024**

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PURPOSE

A Bylaw for the City of Campbell River to authorize the ten-year financial plan for the years 2024 to 2033.

The Council of the City of Campbell River enacts as follows:

PART 1: Title

1.0 This bylaw may be cited for all purposes as **2024 - 2033 Ten Year Financial Plan Bylaw No. 3941, 2023.**

PART 2: Ten Year Financial Plan Amendment

2.0 Schedules 'A', 'B', 'C', and 'D' attached hereto and being part of this Bylaw are hereby adopted and comprise the Ten Year Financial Plan for the years 2024 to 2033. This bylaw replaces the Financial Plan for the years 2023 to 2032 adopted by Bylaw No. 3901, 2023.

PART 3: Expenses

3.0 The expenses set forth in Schedule 'A' are hereby authorized.

READ THE FIRST TIME this 12 day of December, 2023

READ THE SECOND TIME this 12 day of December, 2023

READ THE THIRD TIME this 12 day of December, 2023

ADOPTED this 14 day of December, 2023

Signed by the Mayor and Corporate Officer this 14 day of December, 2023

Kermit Dahl, MAYOR

Sheila Girvin, CORPORATE OFFICER

Amd Bylaw 3980, 2024 12/24 Schedules "A", "B", "C" and "D" replaced

SCHEDULE 'A'

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
OPERATIONAL REVENUES										
Revenue from Property Taxes	43,797,050	46,659,408	47,868,342	49,359,998	50,883,176	53,077,823	54,122,375	56,531,803	57,554,134	59,342,937
Revenue from Parcel Taxes	2,957,000	2,973,800	2,990,500	3,007,300	3,024,000	3,040,800	3,057,600	3,074,400	3,091,300	3,095,100
Revenue from Fees & Charges	27,166,238	27,937,568	28,750,879	29,596,778	30,456,488	31,343,785	32,266,426	33,220,257	34,206,277	35,225,685
Revenue from Other Sources	12,173,208	11,696,896	11,775,360	11,880,951	11,991,611	12,110,440	12,234,338	12,363,308	12,497,848	12,638,161
Surplus/Reserve Accounts	7,576,985	1,294,391	-	30,000	-	-	-	-	-	-
Transfers from Other Funds	377,965	-	-	-	-	-	-	-	-	-
Amortization Offset	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856
	105,417,302	101,930,919	102,753,937	105,243,883	107,724,131	110,941,704	113,049,595	116,558,624	118,718,415	121,670,739
OPERATIONAL EXPENSES										
General Operating Expenses	59,772,744	56,303,084	57,409,396	58,770,569	60,143,655	61,580,934	63,063,093	64,587,426	66,153,223	67,763,730
Airport Operating Expenses	5,330,880	4,831,620	4,912,133	5,019,535	5,131,120	5,247,015	5,367,546	5,492,743	5,622,936	5,758,354
Sewer Operating Expenses	3,936,517	3,799,865	3,859,413	3,920,458	3,983,044	4,047,212	4,113,010	4,180,483	4,249,680	4,320,650
Water Operating Expenses	5,231,424	4,979,198	5,055,279	5,133,183	5,212,960	5,294,660	5,378,338	5,464,047	5,551,846	5,641,791
Interest Payment on Debt	363,538	360,533	362,173	344,330	344,330	344,330	344,330	344,330	344,330	344,330
Principal Payment on Debt	713,395	706,727	672,615	645,199	645,199	645,199	645,199	645,199	645,199	645,199
Transfers to Other Funds	18,699,949	19,581,037	19,114,073	20,041,754	20,894,968	22,413,499	22,769,224	24,475,541	24,782,346	25,827,830
Amortization	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855
	105,417,302	101,930,919	102,753,937	105,243,883	107,724,131	110,941,704	113,049,595	116,558,624	118,718,415	121,670,739
Annual Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
CAPITAL FUNDING										
Grants	21,132,890	1,444,064	1,245,000	730,000	740,000	855,000	765,000	855,000	765,000	855,000
Statutory Reserves & Other Revenue	6,516,188	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Surplus/Reserves	37,801,798	19,257,598	11,430,511	24,009,018	12,618,933	9,410,627	9,116,075	9,081,850	8,395,373	7,808,372
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-
	65,450,876	20,826,662	12,800,511	24,864,018	13,483,933	10,390,627	10,006,075	10,061,850	9,285,373	8,788,372
CAPITAL EXPENSES										
General Capital Expenses	28,037,623	9,000,378	6,067,835	7,600,688	5,989,837	4,190,649	4,306,097	3,455,872	3,973,275	3,470,032
Airport Capital Expenses	16,074,413	30,000	-	-	-	800,000	-	900,000	-	-
Sewer Capital Expenses	10,497,136	2,962,717	3,241,338	7,594,165	4,697,048	2,599,989	2,899,989	2,902,989	2,506,049	2,509,170
Water Capital Expenses	10,841,704	8,833,567	3,491,338	9,669,165	2,797,048	2,799,989	2,799,989	2,802,989	2,806,049	2,809,170
	65,450,876	20,826,662	12,800,511	24,864,018	13,483,933	10,390,627	10,006,075	10,061,850	9,285,373	8,788,372
Net Capital	-	-	-	-	-	-	-	-	-	-
Financial Plan Balance	-	-	-	-	-	-	-	-	-	-

SCHEDULE 'B'

Financial Plan Objectives and Policies

A. Funding Sources

Over the term of the plan funding sources as defined in S(165)(7) of the Community Charter, are derived as shown in Table 1; amounts and proportions shown for fiscal 2024.

Table 1: Funding Sources, Fiscal 2024

Property taxes	\$43,797,050	41.5%
Parcel taxes	2,957,000	2.8%
Fees & charges	27,166,238	25.8%
Other sources	12,173,208	11.5%
Surplus/reserve accounts	7,576,985	7.2%
Transfers from other funds	377,965	0.4%
Amortization Offset	11,368,856	10.8%
	\$105,417,302	100.0%

Objectives and Policies:

-Refer to Schedule 'C' for the City's Financial Stability & Resiliency Policy

B. Distribution of Municipal Property Taxes Across Property Classes

Over the term of the plan municipal property taxes are distributed across eight property tax classes as shown in Table 2; amounts and proportions shown for fiscal 2024.

Table 2: Distribution of Municipal Property Taxes, Fiscal 2024

Class 1 - Residential	\$32,496,546	74.2%
Class 2 - Utilities	1,445,303	3.3%
Class 4 - Major Industry	43,797	0.1%
Class 5 - Light Industry	394,173	0.9%
Class 6 - Business & Other	8,978,395	20.5%
Class 7 - Managed Forest	306,579	0.7%
Class 8 - Recreation/Non-Profit	131,391	0.3%
Class 9 - Farm	865	0.0%
	\$43,797,050	100.0%

Objectives and Policies:

-Refer to Schedule 'D' for the City's Property Taxation Policy

C. Permissive Tax Exemptions

The Annual Report for 2024 will contain a list of permissive exemptions granted for the taxation year and the amount of revenue foregone. The list demonstrates the policy of Council that permissive exemptions are granted to not-for-profit institutions that form a valuable part of our community.

Objectives and Policies:

- To ensure permissive exemptions are utilized to maximize the benefit to the municipality and citizens.
- To maintain permissive exemptions for religious institutions, recreational facilities, and service organizations.

SCHEDULE 'C'

Financial Stability & Resiliency Policy

Purpose

The purpose of the *Financial Stability & Resiliency Policy* is to guide the City's financial planning to meet financial obligations while providing high quality services.

Objectives

- To develop principles that guide so that taxpayers can look forward to predictable, stable, equitable and accountable property taxation.
- To support and guide decision-making, providing continuity and assurance to the City's financial management.

Policies

1. Financial Plan Bylaw Adoption – The City's Financial Plan Bylaw for the next fiscal year will be approved prior to December 31.
2. Long-Term Budgeting – At a minimum, the City will produce a 10-year financial plan.
3. Budget Parameters – Budget parameters will maintain service levels, provide an opportunity to enhance services, and invest in critical infrastructure. The parameters for each budget component, expressed in terms of a general tax increase, are:
 - 3.1 Operating costs of capital will be included as part of the base budget parameter unless funding pressure requires a tax levy increase.
 - 3.2 Debt servicing will be funded within the capital budget parameter unless funding pressure requires a tax levy increase.
 - 3.3 One-time operating projects will be funded by reserve in order to stabilize and smooth out tax increases.

BUDGET COMPONENT	Low (%)	High (%)
Base Budget	1.5	2.0
Capital Budget	0.5	1.0
Ongoing New Services	0.0	0.5
ALL SERVICES	2.0%	3.5%
TOTAL UTILITY FEE INCREASE (includes sewer, water, solid waste and storm water parcel tax)	3.5%	5.0%

4. Non-Market Change – Revenues from non-market change will be adjusted from general taxation levy calculations. To alleviate pressure to increase taxes, provide stability and maintain the integrity of the budget parameters non-market change revenue will first be applied to maintain the base budget parameter of 1.5-2 per cent and then allocated towards new services.

4.1 The City will budget 100% of BC Assessment’s mid-November NMC estimate.

5. Zero Base Operating Budget Increases – The base operating budget provides annual funding to ongoing City services. Any increases to base operating budgets outside of contractual obligations or utility increases will be considered a new ongoing service level increase and will be evaluated during financial planning proceedings against other priorities.

6. Investment in Critical Infrastructure – Continued investment in infrastructure is critical to ensure service levels are maintained. The capital budget parameter of an annual 0.5 to 1 per cent increase to taxation will be invested in the City’s capital program to support ongoing investment in infrastructure to ensure effective delivery of services and asset management.

6.1 Newfound revenue such as debt servicing for newly retired debt, will be allocated towards the capital program.

7. Asset Infrastructure Management – The City will invest in asset management to keep infrastructure in a proper state of repair to avoid costly failures. Asset

management ensures assets are maintained in a state of good repair while optimizing capital investment to maintain service levels and ensure best value for taxpayer's dollars.

8. Reserve Waterfall Structure – The City's Reserve Policy will be applied to ensure funds are not sitting idle in any one reserve and are suitably allocated. The waterfall will follow policy to ensure desired levels of each reserve is preserved; current year surplus is to be transferred into working capital accumulated surplus with excess balances transferred to the Financial Stabilization Reserve and then allocated to capital reserves to fund the capital program.
9. Debt Policy – The City's long-term debt policy establishes borrowing limits and uses of debt for external borrowing.
10. Business Case Decision Making and Capital Project Planning – All requests for staffing and significant operating projects or new services require a business case. New capital projects require a project plan.
11. Property Tax Increase – Each budget cycle, Council will consider the property tax increase required by first covering the projected cost increase for existing services at current service levels and then consider other enhancements.
 - 11.1 The City's tax increase will be calculated based on additional revenue required to balance the budget as required by the *Community Charter* and communicated as a percent increase over the prior year's general municipal revenue collected.
 - 11.2 The City will phase in tax increases when known changes influencing City finances are known to promote stability for taxpayers.
12. Self Financed Programs –The City's self financed programs include the Water Utility, Sewer Utility, Stormwater Utility and Solid Waste and Recycling programs. The costs for self financed programs should be fully funded by user fees. Any surplus or deficit from these programs is to be transferred at the end of each year to or from each reserve. These funds will also follow policy clauses 2,3,5,6,7,8,9,10 and 11.

SCHEDULE 'D'

Property Taxation Policy

Purpose

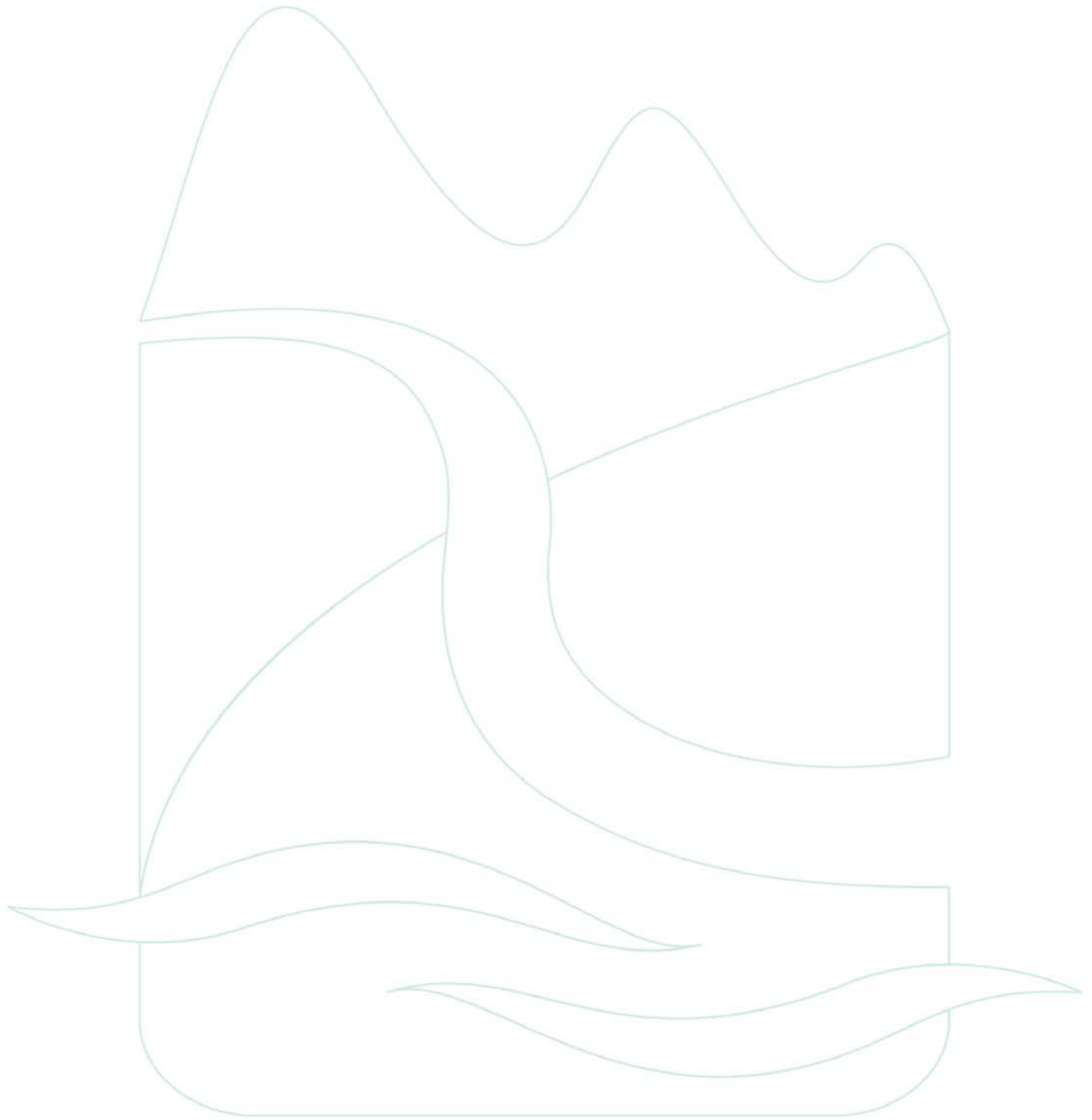
The purpose of the *Tax Policy* is to outline the proportions of revenue sources, the distribution of property taxes among property classes, and the communication of any tax changes from the prior fiscal year.

Objective

- To provide City taxpayers with stable, equitable, and understandable property taxation while providing high quality services.

Policies

1. Tax rates will be adjusted annually to eliminate the impact of increases or decreases in assessment due to market changes, as identified by the British Columbia Assessment Authority.
2. Class 1 (Residential) taxes – the City will strive to maintain a residential tax rate that provides for average municipal taxation on a representative household with its comparator communities of similar size and of those Vancouver Island communities with a population between 10,000 and 50,000. All data used to compare Campbell River against other communities shall be sourced from Local Government Statistics provided by the Province of BC.
3. Class 3 (Supportive Housing) – the City will maintain a tax rate equal to Class 1 (Residential).
4. The City will strive to ensure all other classes of property receive an equal allocation of the percentage change in the annual tax levy.
5. The City may review its tax rates by property class as compared to the provincial average on a minimum three year basis to ensure rates are comparable and reasonable given assessed values in Campbell River as compared to other communities.
6. When necessary, tax class realignments will occur incrementally over a multi-year period.
7. New tax revenues related to the City's downtown revitalization tax exemption bylaw will be allocated to the downtown capital program.
8. The City's tax increase will be communicated as a percent increase over the prior year's general municipal revenue collected and calculated based on total taxes required to balance the budget.



City of
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