



City of
**Campbell
River**

2025 - 2034 TEN YEAR
FINANCIAL PLAN
BYLAW 3984, 2024

BYLAWS



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2025 - 2034 Ten Year Financial Plan Bylaw No. 3984, 2024

ADOPTED December 12, 2024

PURPOSE

A Bylaw for the City of Campbell River to authorize the ten-year financial plan for the years 2025 to 2034.

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 **2025 - 2034 Ten Year Financial Plan Bylaw No. 3984, 2024.**

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 2025 to 2034.

PART 3: Expenses

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

READ THE FIRST TIME this 10 day of December, 2024

READ THE SECOND TIME this 10 day of December, 2024

READ THE THIRD TIME this 10 day of December, 2024

ADOPTED this 12 day of December, 2024

Signed by the Mayor and Corporate Officer this 17 day of December, 2024



Kermit Dahl, MAYOR



Sheila Girvin, CORPORATE OFFICER

SCHEDULE 'A'

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
OPERATIONAL REVENUES										
Revenue from Property Taxes	45,734,704	48,228,856	49,850,574	51,577,924	53,371,085	55,182,126	57,050,633	58,974,265	60,956,696	62,998,066
Revenue from Parcel Taxes	2,968,100	3,035,900	3,106,000	3,178,100	3,252,600	3,329,500	3,409,000	3,490,800	3,575,400	3,662,600
Revenue from Fees & Charges	29,274,066	30,395,126	31,264,559	32,132,052	33,027,440	33,958,487	34,920,950	35,915,933	36,944,646	38,008,203
Revenue from Other Sources	13,668,388	11,319,347	11,411,677	11,507,685	11,608,364	11,715,815	11,827,838	11,944,535	12,066,206	12,193,053
Surplus/Reserve Accounts	7,231,174	430,207	1,564,813	501,985	163,874	166,687	169,556	172,482	175,467	178,512
Transfers from Other Funds	-	-	-	-	-	-	-	-	-	-
Amortization Offset	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784
	110,665,216	105,198,220	108,986,407	110,686,530	113,212,147	116,141,399	119,166,761	122,286,799	125,507,199	128,829,216
OPERATIONAL EXPENSES										
General Operating Expenses	63,397,501	58,816,855	60,217,947	61,684,058	63,203,652	64,735,064	66,312,212	67,932,734	69,599,488	71,312,504
Airport Operating Expenses	4,647,845	4,315,728	4,410,080	4,507,940	4,609,635	4,715,092	4,824,742	4,938,614	5,056,940	5,179,851
Sewer Operating Expenses	4,485,617	4,045,448	4,107,716	4,171,548	4,236,988	4,784,083	4,852,879	4,923,425	4,995,773	5,069,973
Water Operating Expenses	5,331,524	5,220,650	5,300,148	5,381,551	5,464,910	5,550,279	5,637,714	5,727,273	5,819,014	5,912,998
Interest Payment on Debt	360,533	352,400	344,330	344,330	344,330	344,330	344,330	303,730	195,405	63,840
Principal Payment on Debt	708,780	674,670	645,199	645,199	645,199	645,199	645,199	645,199	645,199	258,080
Transfers to Other Funds	19,944,632	19,983,685	22,172,203	22,163,120	22,918,649	23,578,568	24,760,901	26,027,040	27,406,596	29,243,186
Amortization	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784	11,788,784
	110,665,216	105,198,220	108,986,407	110,686,530	113,212,147	116,141,399	119,166,761	122,286,799	125,507,199	128,829,216
Annual Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
CAPITAL FUNDING										
Grants	18,699,464	1,170,000	11,104,564	815,000	930,000	840,000	930,000	840,000	930,000	840,000
Statutory Reserves & Other Revenue	2,591,750	1,440,500	193,100	1,825,000	125,000	125,000	125,000	125,000	125,000	125,000
Surplus/Reserves	47,853,009	28,539,390	16,114,018	20,208,853	16,324,159	10,733,098	11,076,139	10,639,745	10,539,589	9,513,447
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-
	69,144,223	31,149,890	27,411,682	22,848,853	17,379,159	11,698,098	12,131,139	11,604,745	11,594,589	10,478,447
CAPITAL EXPENSES										
General Capital Expenses	39,210,415	13,813,284	21,085,452	10,006,375	6,469,781	5,821,146	5,335,907	6,090,505	6,060,579	4,923,877
Airport Capital Expenses	75,000	-	-	800,000	-	-	900,000	-	-	-
Sewer Capital Expenses	12,199,575	5,083,303	3,153,115	2,511,239	8,019,689	2,978,476	2,987,616	2,597,120	2,607,005	2,617,285
Water Capital Expenses	17,659,233	12,253,303	3,173,115	9,531,239	2,889,689	2,898,476	2,907,616	2,917,120	2,927,005	2,937,285
	69,144,223	31,149,890	27,411,682	22,848,853	17,379,159	11,698,098	12,131,139	11,604,745	11,594,589	10,478,447
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 2025.

Table 1: Funding Sources, Fiscal 2025

Property taxes	45,734,704	41.2%
Parcel taxes	2,968,100	2.7%
Fees & charges	29,274,066	26.5%
Other sources	13,668,388	12.4%
Surplus/reserve accounts	7,231,174	6.5%
Transfers from other funds	-	0.0%
Amortization Offset	11,788,784	10.7%
	110,665,216	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 2025.

Table 2: Distribution of Municipal Property Taxes, Fiscal 2025

Class 1 - Residential	34,071,489	74.5%
Class 2 - Utilities	1,463,511	3.2%
Class 4 - Major Industry	45,735	0.1%
Class 5 - Light Industry	411,612	0.9%
Class 6 - Business & Other	9,284,145	20.3%
Class 7 - Managed Forest	320,143	0.7%
Class 8 - Recreation/Non-Profit	137,204	0.3%
Class 9 - Farm	865	0.0%
	45,734,704	100.0%

Objectives and Policies:

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

C. Permissive Tax Exemptions

The Annual Report for 2025 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 <small>(includes sewer, water, solid waste and storm water parcel tax)</small>	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.



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