

December 4, 2021

2022 CITY BUDGET TEMPERS RISING COSTS WITH NEW DEVELOPMENT REVENUE

Pressure on the City of Campbell River's budget was partially relieved by additional building permit revenues of \$300,000 and non-market change of \$549,000. Significant community growth and inflationary pressures continue to add pressure to existing City budgets and service provision to residents. These new revenue sources contained the 2022 tax increase to 3.94 per cent, which equates to approximately \$47 on a Campbell River home of average value (estimated at \$622,000).

"Council remains deeply concerned about the pandemic's financial impact on residents and local businesses," says Mayor Andy Adams. "Reflecting the challenges of the current economic environment, the 2022 budget balances revenue loss due to the global pandemic, increased financial pressure from inflation and the delivery of essential services to our growing community with increased new development revenue. We are fortunate to have a strong residential building sector that provides building permit fee revenue and new construction revenue to the City; this helps with our base operating budget, and includes additional staff resources to manage the development applications, economic development and communications departments."

Financial planning meetings took place Nov. 29 to Dec. 1. Presentations from community residents ahead of Council's deliberations focused on lighting at Willow Point Park, downtown storm water management, washroom facilities at Beaver Lodge Forest Lands and urban forest management.

"The 2022 budget includes funding for renewal and replacement of aging infrastructure, and provision of services that meet community needs and expectations. Council appreciates the diligence of the finance team and all staff, and their dedication to serving the needs of our community. We are also grateful for the valuable contributions made by community agencies and partners," says Mayor Adams.

The budget includes significant investment in recreation facilities and services and focuses on downtown revitalization and active transportation, with up to \$200,000 of funding for cycling infrastructure, funding for the rehabilitation of the Sportsplex and \$100,000 of funding for CR Live Streets programming.

"The City expects another challenging year in 2022, as COVID-19-related pressures and uncertainties continue. However, the City is in a position to begin building back," says Deborah Sargent, city manager. *"This budget focuses on bolstering the stability and resiliency of the 10-year plan, so that the City can continue providing the community services, programs and amenities residents need and value. We appreciate Council's thoughtful deliberations and the consideration they gave to maintaining funding for renewal and replacement of aging infrastructure, supporting the city's rapid growth and responding to the ever-changing conditions of the pandemic."*

The 2022 budget includes investment in emergency services equipment, as well as enhancements in economic development, the Campbell River Airport (YBL), development services, recreation services and parks services.

"The significant investment and construction that's continuing in Campbell River provides additional revenue that allows the City to fund new ongoing services related to community growth," says Dennis Brodie, the City's acting director of finance and chief financial officer. *"Property tax revenue, annual provincial gaming grants and the Community Works Fund (Federal Gas Tax) continue to help fund community and capital improvements. This budget's tax increase is a strategic step to ensure that the City continues delivering the services our community relies on and maintains the high degree of livability that's contributing to Campbell River's growth. The City's*

Financial Stability and Resiliency policy outlines how tax increases will be used to maintain Campbell River's many services and amenities."

City Council concluded financial planning and finalized the City's 2022 budget on Dec. 1. The budget is scheduled for three readings on Dec. 7, and is expected to be adopted at the Dec. 13 Council meeting, in time to submit it to the Province before year-end. This is the seventh 10-year budget for Campbell River.

In keeping with Council's direction, property taxes on an average home in Campbell River will remain in the mid-range of taxes province-wide, when compared against other communities of similar size.

View recordings of the budget meetings at campbellriver.ca/webcasts.

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COVID-19

Please note: We have new procedures in place to help prevent the spread of COVID-19. We are gradually – carefully – resuming in-person services and limited public access to City facilities. For the most recent information on City services, please see our website (campbellriver.ca). Reach us with general inquiries by email (info@campbellriver.ca) or telephone 250-286-5700.

BACKGROUND

Budget Facts

In keeping with Council's direction, property taxes on an average home in Campbell River will remain in the mid-range of taxes province-wide, when compared against other communities of similar size.

Less than half of the City's budget is funded through local property taxation; the majority is funded through user fees, sale of services and senior government grants. Senior government grant funding includes the Community Works (Federal Gas Tax) funds and provincial gaming grants. Provincial gaming grants continue to support community services and capital improvements. A one-time doubling of contributions to the Community Works (Federal Gas Tax) in 2021 has provided additional monies to invest in community enhancements.

Approximately 35 per cent of the amount on a City-issued property tax notice is collected for other agencies (provincial and regional district taxes, and for the hospital, schools and library).

The City's budget maintains more than 100 services, including: drinking water; sanitary sewer; emergency response; garbage, recycling and yard waste collection; storm water management; streets, sidewalks and traffic control; development services; economic development; tourism; bylaw enforcement; fire protection; police; parks; recreation and culture programs and facilities; transit; airport; environmental management; museum, art gallery and other public facilities.

View videos about City of Campbell River budgeting and property taxes at [youtube.com/cityofcampbellriver](https://www.youtube.com/cityofcampbellriver)

Highlights of 2022 budget

- Provides approximately \$86 million for operations in 2022
- Provides approximately \$179 million in capital infrastructure funding over a 10-year period, including \$98.5 million in renewal funding for aging infrastructure through a 0.66 per cent incremental tax levy each year
- Allocates unanticipated revenue and expired debt payment commitments directly to pay for infrastructure renewal and replacement—directing existing funding to re-invest in infrastructure
- Includes a property tax increase of 3.94 per cent, which equates to \$47 on a Campbell River home of average value estimated at \$622,000
 - The increase is slightly higher than Council's budget parameters for a predictable increase of between 2 and 3.5 per cent, to cover extraordinary inflationary costs and contracted increases in the base budget

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Highlights of service enhancements

- Enhanced development services support (addition of a building inspector and planning staff)
- Enhanced economic development services support (addition of a business development specialist and investment in economic development initiatives)
- Investment in public safety (protective services staff and equipment)
- Increased marketing and business development for the Campbell River Airport
- Water, sewer and storm-system maintenance and upgrades
- Support for the transition to curbside organic waste collection, in partnership with the Comox Valley Regional District

Highlights of capital projects and community infrastructure investment for 2022

- Cycling infrastructure upgrades (\$200,000 annually)
- Investment in the Campbell River Airport, including facility maintenance and improvements (\$5.4 million)
- Water facility, fire hydrant and water service renewals (\$450,000)
- Water, storm and road upgrades on 6th Avenue and Thulin Street (\$2.75 million)
- Sewer upgrades to accommodate anticipated development on We Wai Kai lands and in the Campbellton area (\$1.75 million)
- Quinsam Heights integrated storm-water management plan (\$200,000)
- Highway 19A sewer upgrade from Twillingate Road to Barlow Road (\$2.2 million)
- City-wide sewer and storm-water modelling programs (\$400,000)
- Continued energy- and water-consumption reduction projects (\$50,000)
- Sportsplex roof replacement and facility rehabilitation (\$3.55 million)
- Discovery Pier structural repairs (\$160,000)
- Baikie Island Bridge construction (\$250,000)
- Continued marine foreshore restoration (\$75,000)
- Outdoor washroom installation at the south entrance to the Beaver Lodge Forest Lands and Baikie Island (\$45,000)
- Continued maintenance and enhancements for parks and pathways (\$60,000)

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- Continue Seagull Walkway improvements (\$2.1 million)
- Update Master Transportation Plan (\$125,000)
- Water System Strategic Action Plan update (\$150,000)

Highlights of operating projects in 2022 (funded by reserve with no impact on property taxation)

- Enhanced communications, economic development, IT, human resources and protective services (\$182,600)
- Increased development services support and new property appraisal services (\$160,500)
- Economic Development investment attraction initiatives (\$40,000)
- Additional CR Live Streets events in the summer (\$100,000)
- Spirit Square maintenance (\$100,000)
- Continued investment in downtown initiatives, including Downtown Façade Improvement Program (\$120,000)
- Continued operation of the Downtown Safety Office through to June 2022 (\$40,000)
- Official Community Plan update (\$350,000)
- Quinsam Heights Neighbourhood Plan and Land-Use Plan, in partnership with First Nations (\$175,000)
- Organic waste collection program communications and coordination, in partnership with Comox Valley Regional District (\$25,000)
- Continued support for minor league baseball at Willow Point Park and enhanced maintenance of Willow Point and Nunns Creek parks (through the addition of additional staff) (\$65,000)
- Continued invasive species management plan implementation (\$15,000)
- Installation of an electric vehicle (EV) charging station as part of a mid-island EV charging network collaboration; grant funding will cover a portion of the costs (\$15,000)
- Build on community consultation previously undertaken for the Rockland Road roundabout centre feature (\$25,000)
- Continued in-house cleaning protocols to enhance health and safety at all City facilities (\$235,000)

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