

November 2, 2020

## COVID-19 CUTS INTO PROPOSED 2021 CITY BUDGET – FINAL DECISIONS CONFIRMED NOV. 30

The effects of the global pandemic will be reflected in reduced community services for Campbell River next year.

Meeting from Monday to Wednesday this week, City Council directed staff to find additional cost savings after confirming in principle a budget that postpones projects and includes approximately \$1.5 million in both temporary and permanent service reductions. The cost savings are required to offset revenue lost due to the ongoing COVID-19 pandemic and help minimize the anticipated property tax increase. Council wants to keep that increase to no more than 2.85 per cent (approximately \$79 for the average Campbell River home, valued at \$442,000).

This week's Council decisions will be reviewed Nov. 30, when more detailed estimates on new construction values are available from BC Assessment. The budget will be adopted in December, in time to submit to the Province before year-end.

*"This is the sixth 10-year budget for Campbell River, and the principles of long-term vision and stable, predictable property tax rates are helping us get through the economic challenges caused by the COVID-19 pandemic,"* says Mayor Andy Adams. *"While the cuts reflect difficult, but necessary decisions, this budget still provides for renewal and replacement of aging infrastructure and funding to support new initiatives. In 2021, there will be a stronger focus on downtown safety, economic development and new maintenance requirements for the Bike Skills Park and Robron Fieldhouse."*

*"City staff have very carefully reviewed existing services to suggest cost-savings that minimize the effects on Council's strategic priorities, community expectations and City operations,"* adds city manager Deborah Sargent. *"We have been reminding people that 2021 will not be a year to take on new community projects, and continue to encourage local organizations to use this time to work with City staff and start planning for projects they'd like to propose for future years."*

Consistent with Council's direction, the property tax increase on a Campbell River home of average value is in the mid-range of tax rates when compared against other British Columbia communities of similar size.

Along with property tax revenue, annual Community Works (Federal Gas Tax) funds and provincial gaming grants continue to support community services and capital improvements, although funding from gaming has been significantly reduced due to COVID-19.

*"Campbell River's 10-year Financial Plan continues to focus on stability and resiliency with an emphasis fiscal conservatism given the many unknowns of the pandemic and the financial impacts that the City has experienced,"* says Alaina Maher, the City's director of finance and chief financial officer. *"Early budgeting has helped the City be in a strategically advantageous position to make some very difficult decisions. 2021 financial planning has been particularly challenging as a result of lost revenue due to the pandemic. The financial plan focuses on isolating the COVID-19 impacts from ongoing budget pressures arising from contractual costs and inflationary items to minimize the impact to reserves and taxation."*

## 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](http://campbellriver.ca)). Reach us with general inquiries by email ([info@campbellriver.ca](mailto:info@campbellriver.ca)) or telephone 250-286-5700.

Ahead of the budget discussions, Council received three pieces of correspondence, from Greenways Land Trust, the Cycling Coalition, and a letter from a resident concerned about safety on Arizona Drive.

View the 2021-2030 financial plan and recordings of the budget meetings at [www.campbellriver.ca](http://www.campbellriver.ca) (click on the Council Webcast button).

For more information about the City's 2021 budget, please contact Dennis Brodie, Acting Director of Finance, 250-286-5754

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Contact: Dennis Brodie, Acting Director of Finance

250-286-5754

### **Background**

#### ***Highlights of proposed 2021 budget***

- Currently includes cost savings of \$1.5 million, including \$346,000 in permanent service reductions; additional permanent service reductions totalling \$236,000 to be confirmed on November 30
- Provides approximately \$80 million for operations, with another \$20.8 million for capital projects and infrastructure renewal
- Allocates unanticipated revenue and expired debt payment commitments directly to pay for infrastructure renewal and replacement – directing existing funding to re-invest in infrastructure without raising property taxes higher than budget parameters
- Includes a property tax increase of 2.85 per cent, which equates to \$79 on a Campbell River home of average value estimated at \$442,000.
- Increase is in line with Council's budget parameters for a predictable increase between 2 and 3.5 per cent to cover inflationary costs and contract increases in the base budget, including major contracts to maintain existing Fire, RCMP and transit services

#### ***Highlights of service reductions***

- \$165,600 reduction in hours for airport administration and operations/maintenance
- Social grants reduced to \$50,000 with the remaining \$50,000 to support downtown safety initiatives
- \$140K from Centennial Pool remaining closed in 2021
- \$356,300 in recreation programming reductions in 2021
- \$5,000 annual transfer to Twinning Society for 2021 to 2024
- Other \$360,200 in other permanent service reduction across many City departments
- Reduced Council Contingency to \$75,000 in 2021

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**Highlights of service enhancements in 2021 (Valued at \$282,000)**

- \$50,000 Robron Fieldhouse and \$31,000 Bike Park operating funds
- \$7,200 Willow Creek Road boulevard maintenance
- \$19,000 Landscaping maintenance Roberts Reach to Discovery Harbour Shopping Centre walkway
- \$121,000 Strategic human resources management – to recruit, retain workforce providing services
- \$5,000 to support Seniors information hub
- \$8,000 for Sybil Andrews heritage property landscaping

**Highlights of capital projects**

- \$12.1 million for continued Highway 19A and sewer upgrades in 2021 (funded by provincial and federal grants, debt incurred in 2018 and City reserve funds)
- \$150,000 Council Chambers sound system – for improved online accessibility (funded by reserve; no increase in property taxation)
- \$15,000 Cycling infrastructure (funded through Community Works Fund rather than property taxation)
- An additional \$60,000 for marine foreshore restoration (funded through Community Works Fund rather than property taxation)
- \$150,000 Robron Pickleball courts (funded through Community Works Fund rather than property taxation); \$4,400 increase to future operating budget for annual maintenance
- \$132,600 CRadvantage 10<sup>th</sup> Avenue extension (funded through Community Works Fund rather than property taxation)
- \$705,000 for preparing downtown library site (VIRL will invest \$14M to construct a new facility) funded by the downtown revitalization tax exemption reserve; no increase to property taxes
- \$1.5 million for Seagull Walkway connecting Fisherman’s Wharf with Ostler Park (funded by City reserve funds; no increase to property taxes)
- \$200,000 to continue downtown storm water improvements (funded by storm water parcel tax funds); ongoing annual increases to storm water parcel taxes through 2022 under bylaw

**Highlights of operating projects in 2021 (funded by reserve with no impact on property taxation)**

- Downtown Safety initiatives, including potential task force (up to \$225,000)
- A new granting program to encourage business owners to upgrade their storefronts to incorporate crime prevention features
- Continued operation of the downtown safety office
- \$30,000 from former downtown small initiatives fund for 2021 commercial area beautification grants
- First Dollar industry advisory committees (up to \$40,000)
- Enhanced communications and economic development services (up to \$126,000)
- \$30,000 for Willis Road Connector marketing materials for lobbying

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**Budget Facts**

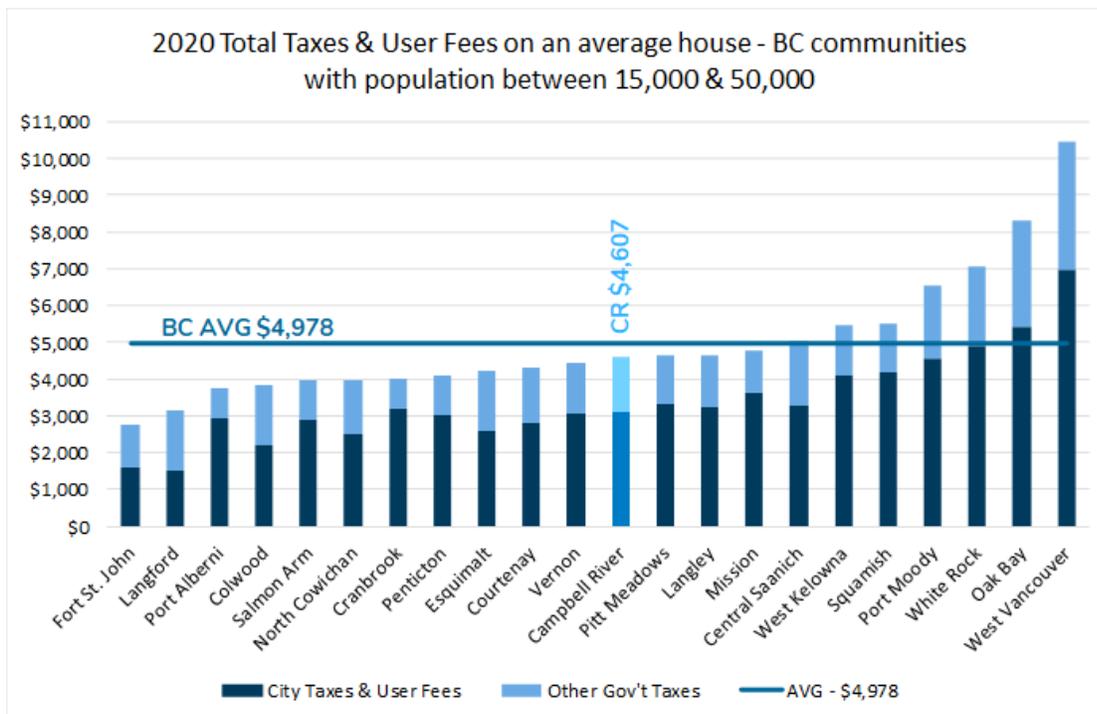
Less than half of the City’s budget is funded through local property taxation; the majority is funded through user fees, sale of services and senior government grants.

More than 35 per cent of the amount collected by the City was on behalf of other agencies (for provincial and regional district taxes, and for the hospital, schools and library).

The City’s budget efficiently 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.

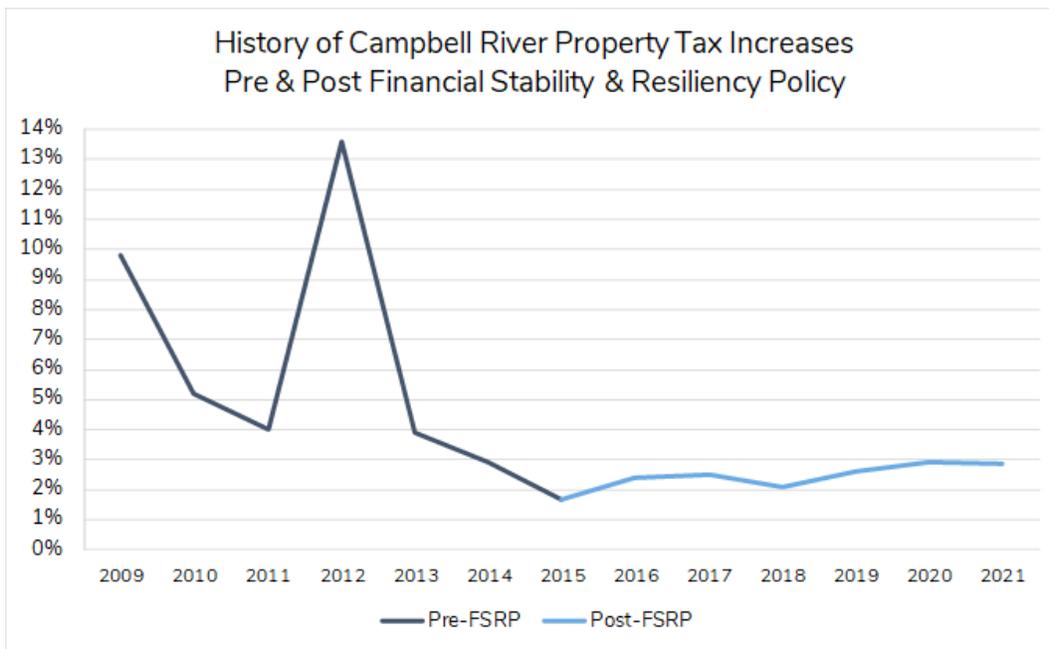
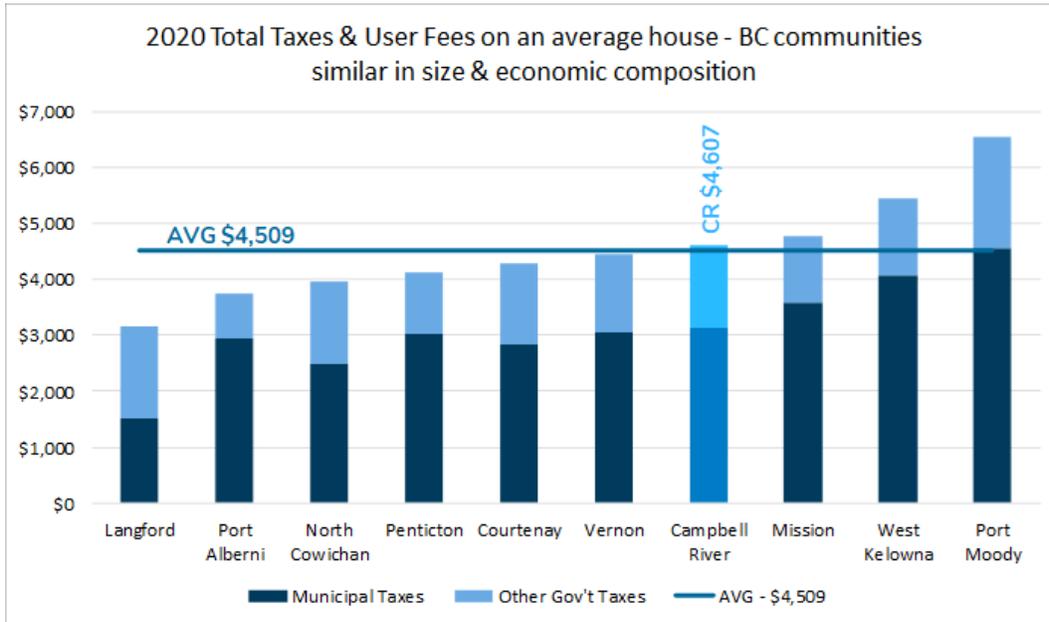
For four consecutive years, the international Government Financial Officers’ Association has recognized the City of Campbell River’s Financial Stability and Resiliency Policy and Plan as exemplary.

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



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