

December 5, 2024

## **COUNCIL APPROVES 2025–2034 FINANCIAL PLAN WITH 2.89 PER CENT TAX INCREASE**

**Council is committed to balancing fiscal responsibility with maintaining core services and advancing strategic priorities.**

The 2025–2034 Financial Plan was approved by Council on December 4, 2024, following budget deliberations by Council. These deliberations were informed by staff presentations and community feedback received throughout 2024.

A tax increase of 2.89 per cent was approved by Council, which looks to balance fiscal responsibility with maintaining core services. This equates to an approximate monthly increase of \$5.75 per home, based on the average home price in Campbell River.

*“I ran for Mayor on a platform of low tax increases, and this Council has remained committed to fiscal responsibility with reduced spending and focused investments,” says Mayor Kermit Dahl. “While I’d hoped to deliver a zero per cent tax increase for 2025, contractual commitments outside the City’s control — such as RCMP and Transit — require \$2,848,000, in additional City spending. However, staff heard Council and proposed a cost-conscious financial plan that included over \$1.2 million in cost-saving measures to offset some of these commitments. Council deliberated and finalized the plan, prioritizing affordability, accountability and action — and we managed to limit the tax increase to 2.89 per cent.”*

Several factors continue to place pressure on the City of Campbell River’s (the City’s) 2025–2034 Financial Plan and contribute to the 2.89 per cent tax increase:

- Contractual commitments largely outside the City’s control equate to a 6.74 per cent tax increase — these costs were offset by cost-savings measures in other areas, which allowed the City to maintain a within-policy tax increase. Contractual commitments include, but are not limited to:
  - A 2.61 per cent (or \$1.1 million) contractual increase to the RCMP agreement
  - A 1.09 per cent (or \$463,000) contractual increase to the transit agreement
- Lag effects of inflation
- Costs that have typically been covered under provincial and federal mandates but that the City has now had to assume, such as those related to housing and mental health and addictions

These challenges are not unique to the City of Campbell River. Municipalities across Canada are facing similar pressures.

Ahead of and during budget deliberations, Council approved carefully considered cost-savings measures that bring the tax increase in line with policy. The 2025–2034 Financial Plan:

- Applies all tax revenue from new construction (non-market change) to offset the tax increase by \$525,000 or 1.24 per cent
- Revises the approach to community grants and provides \$700,000 in funding — down from \$931,000
- Increases revenues from City advertising by an estimated \$25,000 or 0.06 per cent
- Utilizes anticipated vacancy rates and removes two currently vacant positions, saving \$730,292 or 1.72 per cent

*“Property taxes and user fees fund more than 100 services in Campbell River, everything from garbage collection and water provision to events like CR Live Streets and investments in the downtown,” says Alaina Maher, Director of Financial Services and Chief Financial Officer. “With increasing contractual commitments, lag effects of inflation, and other significant financial pressures, implementing cost-saving measures to reduce taxation from the initial 9.15 per cent projected tax increase was challenging but essential to keep taxes affordable. This budget reflects a comprehensive strategy aimed at affordability, maintaining vital services, investing in Council priorities, making targeted infrastructure investments, fostering community growth, and ensuring financial resilience in the face of ongoing economic uncertainties.”*

Highlights of the 2025-2034 Financial Plan include:

- Over \$1.8 million in investments (including 2024 carry-forwards) for continued security and Downtown Safety Office operations, public works clean-ups and overnight shelter supports, alongside CR Live Streets and Spirit Square events, downtown small initiatives, beautification grants and more
- One hundred and thirteen capital projects were approved, with a budget of \$69,144,220 for investments in asset management and the maintenance of critical infrastructure (including 2024 carry-forwards). Major projects for 2025 include:
  - Runway and Taxiway Rehabilitation at the Campbell River Airport (\$15 million)
  - Erickson Road Renewal (\$9.8 million)
  - John Hart Reservoir (\$6.5 million)
  - Campbellton Sewer Upgrade (\$3.4 million)
  - Police and Public Safety Building Lot Security (\$1.4 million)
  - Sewer and Watermain Replacement (\$4 million)
- Seventy-three operating projects were approved, with a budget of \$6,389,102. Major projects scheduled for completion in 2025 include:
  - CR Live Streets (\$150,000)
  - Downtown Cleanliness Program (\$239,000)
  - Community Safety Enhancements (\$1.07 million)
  - Temporary Overnight Sheltering (\$207,000)
- High levels of service delivery despite financial pressures
- Strategic project advancements through grants, such as Nunns Creek Park enhancements and airport rehabilitations
- Maintenance and upgrades to City parks, and promotion of reliable, safe and accessible mobility through cycling, roadway and intersection improvements, and additions to transit shelters

The Draft 2025–2034 Financial Plan is currently available to view at [campbellriver.ca/financial-plans](https://campbellriver.ca/financial-plans). This is the plan that Council considered during budget discussions and does not reflect changes made during those discussions. Council will consider the approved plan for adoption at their meeting on December 12, 2024. The final, approved financial plan will be posted to [campbellriver.ca/financial-plans](https://campbellriver.ca/financial-plans) following adoption.

###

**Contact:** Alaina Maher, Director of Financial Services / Chief Financial Officer | 250.286.5780 | [Alaina.Maher@campbellriver.ca](mailto:Alaina.Maher@campbellriver.ca)