

September 29, 2009

City Clarifies Cash Flow Comments

The City of Campbell River wishes to clarify remarks made by City Manager Tom Stevens during the September 15, 2009 Council meeting.

Mr. Stevens explained the City is currently experiencing a \$5 million cash flow shortage because it did not receive full tax payment from three major industry partners. Further, he commented that the current cash shortage “is due entirely to the non-payment of taxes by industries on which the City is reliant to run its operations.”

The City wishes to clarify that TimberWest, which was erroneously counted as a major industry tax payer, belongs in fact, to the Managed Forests tax class. Further, the City acknowledges, TimberWest has paid all taxes owing, in part to the City and in part into Court under Court Order, pending the decision in TimberWest’s Court challenge. The portion of taxes paid into Court is not currently available for City use.

The inaccessibility of funds paid into Court, as well as TimberWest’s Court challenge, contributes to the City’s current funding uncertainty.

The City apologizes for any inconvenience caused by the above remarks and trusts this clarification will provide better information about the nature of the City’s current cash flow situation.

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