

March 14, 2012

Council refines budget at Mar. 13 financial plan meeting

At its Mar. 13 Finance Committee meeting, Campbell River City Council adjusted parks and recreation user fees, reduced yard waste collection service, supported Rivercorp funding and requested staff reports outlining additional cost savings options.

Council adopted a 100 per cent increase for parks user fees (expected to yield approximately \$9,000 charged primarily to sports field user groups and for park event rental) and eliminated a 50 per cent employee and family fitness fee rate at City facilities.

Council decided to reduce curbside yard waste collection from eight months to four (two months each spring and fall) in order to re-allocate approximately \$100,000 for general operations. The yard waste drop-off centre will remain open year-round.

Council also maintained funding for Rivercorp at 2011 levels and endorsed a capital plan, with any funding that requires borrowing to return to Council for consideration on a case-by-case basis.

Council will allocate \$300,000 from the City's Gaming Reserve in 2012 to fund seasonal programs and positions such as Centennial Pool operations.

Council deferred decisions on the City's fleet replacement and the application of the Parks Parcel Tax, pending staff reports to come to the next Financial Committee meeting on Mar. 27.

Council also requested a staff report for the same meeting that will outline additional options for cuts to staffing and service levels worth \$500,000 in 2012 and 2013.

Council's next Finance Committee meeting is scheduled for Mar. 27. Meetings are held in Council Chambers and begin at 6:30 p.m. Meetings are broadcast live on the City's website and televised on Shaw TV.

Finance committee meetings are open to the public, and people can share comments and questions by email (info@campbellriver.ca), through an online form at www.campbellriver.ca/Customer Feedback and by letter to City Hall (301 St. Ann's Road, Campbell River, BC, V9W 4C7).

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Background

The City's operating budget is approximately \$37 million, which includes a general operating budget, plus separate funds earmarked for water, sewer and airport operations, which are generally funded through specific user fees and parcel taxes. The draft 2012 capital budget (for major infrastructure improvement projects) includes the same four funds and is valued at approximately \$14 million.

The City's 2012 draft budget provided by staff maintains 2011 service levels and results in a \$3.6 million shortfall. The shortfall is related to:

- a \$1.8 million loss of major industry taxation from Catalyst property re-classification
- a \$1.3 million inflationary increase and rising contract costs
- the use of \$1.1 million from City reserves (savings) to balance the budget in 2011.

The draft budget also includes items already approved by Council: grants in aid worth \$696,079 and permissive tax exemptions (for charitable, philanthropic or other not for profit groups which provide community services such as schools, cemeteries and churches) valued at \$602,288 (equal to a four per cent residential tax increase).

It also includes a \$442,500 tax increase levied in 2011 to address some of the budget shortfall anticipated in 2012 and a \$190,000 surplus.

For every dollar the Canadian household pays in taxes, eight cents goes to municipal services, 50 cents goes to the federal government and 42 cents to the province. In 2011, for approximately \$149 a month (the monthly municipal taxation on the community's average home value of \$268,000 last year) residents received nearly 100 City services – from water, sewer and emergency response, to waste collection, street maintenance, sidewalks and traffic control, transit, the airport, planning and building inspection, environmental management, economic development, public facilities like the museum, art gallery, Tidemark theatre and Maritime Heritage Centre, plus parks and recreation.

If Council chose to fund the entire difference through only residential property tax increases, it would mean an additional \$288 a year, or \$24 per month, or 79 cents a day, for the average home, valued at \$268,000.

Topics for upcoming Finance Committee meetings

March 13 Finance Committee meeting

- Rivercorp funding request
- Refinement of 2012 – 2016 Financial Plan
- Review and discuss reserves
- Refinement and decisions regarding Capital plans
- Decision on service level changes
- Refinement of options to balance 2012 Budget

March 28 Finance Committee meeting

- Final budget decisions regarding use of reserves, service levels and taxation levels

May 1 Council meeting

- Tax bylaw for adoption by Council for the Five Year Financial Plan