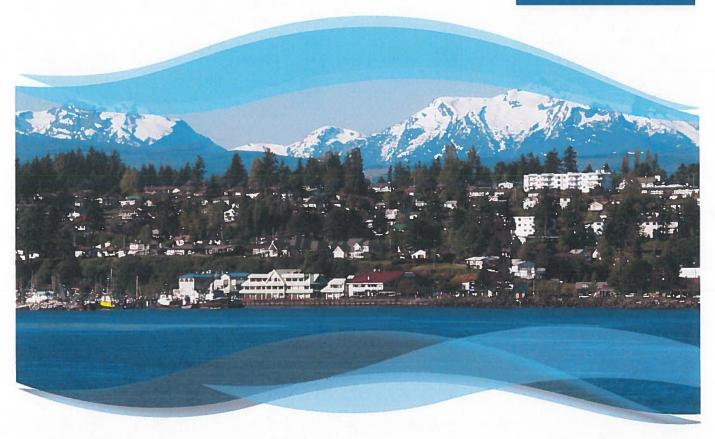


2022 - 2031 TEN YEAR
FINANCIAL PLAN
AMENDMENT
BYLAW 3882, 2022



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Cover photo by Toni Falk



The "QR code" to the left provides quick access to the Campbell River website http://www.campbellriver.ca using a mobile QR code reader app.



2022 - 2031 Ten Year Financial Plan Amendment Bylaw 3882, 2022

ADOPTED December 5, 2022

PURPOSE

A Bylaw for the City of Campbell River to amend the ten year financial plan for the years 2022 to 2031.

The Council of the City of Campbell River enacts as follows:

PART 1: Title

1.0 This bylaw may be cited for all purposes as 2022 - 2031 Ten Year Financial Plan Amendment Bylaw No. 3882, 2022.

PART 2: Ten Year Financial Plan Amendment

2.0 Schedules 'A', 'B', 'C', and 'D' attached hereto and being part of this Bylaw are hereby adopted and compromise the Ten Year Financial Plan Amendment for the years 2022 to 2031. This bylaw replaces the Financial Plan for the years 2022 to 2031 adopted by Bylaw No. 3845, 2021.

PART 3: Expenses

3.0 The expenses set forth in Schedule 'A' are hereby authorized.

READ THE FIRST TIME this		day of	November	2022
READ THE SECOND TIME this	21 st	day of	November	2022
READ THE THIRD TIME this	21 st	day of	November	2022
			December,	
Signed by the Mayor and City Clerk this	6th	day of	December	2022

MAYOR. Kermit Dahl

CORPORATE OFFICER, Sheila Girvin

SCHEDULE 'A'

Revenue from Fees & Charges

Revenue from Parcel Taxes

Revenue from Other Sources

Transfers from Other Funds

Amortization Offset

Surplus/Reserve Accounts

General Operating Expenses

OPERATIONAL EXPENSES

Airport Operating Expenses

Sewer Operating Expenses

Water Operating Expenses

Interest Payment on Debt Principal Payment on Debt

Transfers to Other Funds

Amortization

Annual Surplus/(Deficit)

CAPITAL FUNDING

Grants

Proceeds from Borrowing

DCC & Other Revenue

Statutory Reserves

Surplus/Reserves

General Capital Expenses

CAPITAL EXPENSES

Airport Capital Expenses

Sewer Capital Expenses Water Capital Expenses

Financial Plan Balance

Net Capital

Revenue from Property Taxes

OPERATIONAL REVENUES

2031		53,261,815	2,398,000	33,151,831	6,557,726	620,000	826,830	10,296,551	107,112,753	60,539,819	3,260,165	3,845,990	4,884,296	344,330	645,199	23,296,403	10,296,551	107,112,753		.1		870,000	125,000	180,000	7,661,235		8,836,235	3,536,235	•	2,650,000	2,650,000	8,836,235		1		
2030		51,486,207	2,385,000	32,207,402	6,539,522	683,500	799,535	10,296,551	104,397,717	59,012,628	3,220,938	3,772,987	4,810,360	344,330	645,199	22,294,724	10,296,551	104,397,717		. 12		780,000	125,000	180,000	7,842,040		8,927,040	3,627,040	•	2,650,000	2,650,000	8,927,040				,
2029		49,752,472	2,372,000	31,293,620	6,521,437	649,500	773,029	10,296,551	101,658,609	57,376,419	3,182,561	3,711,834	4,738,160	344,330	645,199	21,363,555	10,296,551	101,658,609				870,000	125,000	180,000	8,931,592		10,106,592	4,556,592	250,000	2,350,000	2,650,000	10,106,592		t		
2028		48,072,832	2,359,000	30,409,697	6,503,468	740,500	747,290	10,296,551	99,129,338	55,926,049	3,175,009	3,677,475	4,667,651	344,330	645,199	20,397,074	10,296,551	99,129,338				855,000	125,000	180,000	12,285,703		13,445,703	6,295,703	•	4,500,000	2,650,000	13,445,703		34		
2027		46,391,435	2,346,000	29,554,249	6,489,115	714,000	722,293	10,296,551	96,513,643	54,398,505	3,108,255	3,619,856	4,598,788	344,330	645,199	19,502,159	10,296,551	96,513,643				945,000	125,000	1,180,000	10,002,616	E	12,252,616	7,202,616		2,400,000	2,650,000	12,252,616		•		
2026		44,869,916	2,333,000	28,726,591	6,475,377	761,500	708,019	10,296,551	94,170,954	53,057,555	3,072,285	3,553,881	4,531,527	362,173	672,615	18,624,367	10,296,551	94,170,954		í		780,000	125,000	180,000	8,882,961	,	9,967,961	4,567,961	200,000	2,250,000	2,650,000	9,967,961		1		1
2025		43,317,908	2,320,100	27,936,366	6,484,715	725,461	674,445	10,296,551	91,755,546	51,621,671	3,037,074	3,519,550	4,465,827	360,533	706,727	17,747,613	10,296,551	91,755,546	VI - 3	•		870,000	125,000	270,000	10,251,164	4	11,516,164	6,616,164	1	2,250,000	2,650,000	11,516,164				
2024		41,810,153	2,307,100	27,117,732	6,546,743	875,634	671,552	10,296,551	89,625,465	50,290,518	3,032,600	3,431,812	4,401,647	363,538	713,395	17,095,404	10,296,551	89,625,465				8,485,000	3,625,000	795,577	15,966,705		28,872,282	7,062,282	8,035,000	2,250,000	11,525,000	28,872,282				•
2023		40,185,980	2,294,300	26,345,751	6,374,844	1,647,983	629,319	10,296,551	87,774,728	49,649,404	2,968,844	3,400,620	4,338,948	400,494	782,313	15,937,554	10,296,551	87,774,728				1,699,064	525,000	2,144,295	15,821,844		20,190,203	9,915,203	20,000	4,025,000	6,230,000	20,190,203		٠		
2022		37,680,773	2,281,300	25,859,003	6,401,661	6,416,399	1,361,120	10,296,551	90,296,807	49,618,196	3,390,826	3,354,023	4,327,546	403,071	782,313	18,124,281	10,296,551	90,296,807		·		12,161,747	2,100,132	3,763,620	30,638,868		48,664,367	26,339,895	8,104,145	11,807,511	2,412,816	48,664,367		•		•
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SCHEDULE 'B'

Financial Plan Objectives and Policies

A. Funding Sources

Over the term of the plan funding sources as defined in S(165)(7) of the Community Charter, are derived as shown in Table 1; amounts and proportions shown for fiscal 2022.

Table 1: Funding Sources, Fiscal 2022

Property taxes	\$37,680,773	41.8%
Parcel taxes	2,281,300	2.5%
Fees & charges	25,859,003	28.6%
Other sources	6,401,661	7.1%
Surplus/reserve accounts	6,416,399	7.1%
Transfers from other funds	1,361,120	1.5%
Amortization Offset	10,296,551	11.4%
	\$90,296,807	100.0%

Objectives and Policies:

B. Distribution of Municipal Property Taxes Across Property Classes

Over the term of the plan municipal property taxes are distributed across eight property tax classes as shown in Table 2; amounts and proportions shown for fiscal 2022.

Table 2: Distribution of Municipal Property Taxes, Fiscal 2022

Class 1 - Residential	\$27,920,265	74.1%
Class 2 - Utilities	1,243,466	3.3%
Class 4 - Major Industry	37,681	0.1%
Class 5 - Light Industry	339,127	0.9%
Class 6 - Business & Other	7,762,239	20.6%
Class 7 - Managed Forest	263,765	0.7%
Class 8 - Recreation/Non-Profit	113,042	0.3%
Class 9 - Farm	1,188	0.0%
	\$37,680,773	100.0%

Objectives and Policies:

C. Permissive Tax Exemptions

The Annual Report for 2022 will contain a list of permissive exemptions granted for the taxation year and the amount of revenue foregone. The list demonstrates the policy of Council that permissive exemptions are granted to not-for-profit institutions that form a valuable part of our community.

Objectives and Policies:

- To ensure permissive exemptions are utilized to maximize the benefit to the municipality and citizens.
- To maintain permissive exemptions for religious institutions, recreational facilities, and service organizations.

⁻Refer to Schedule 'C' for the City's Financial Stability & Resiliency Policy

⁻Refer to Schedule 'D' for the City's Property Taxation Policy

SCHEDULE 'C'

Financial Stability & Resiliency Policy

Purpose

The purpose of the *Financial Stability & Resiliency Policy* is to guide the City's financial planning to meet financial obligations while providing high quality services.

Objectives

- To develop principles that guide so that taxpayers can look forward to predictable, stable, equitable and accountable property taxation.
- To support and guide decision-making, providing continuity and assurance to the City's financial management.

Policies

- 1. Financial Plan Bylaw Adoption The City's Financial Plan Bylaw for the next fiscal year will be approved prior to December 31.
- 2. Long-Term Budgeting At a minimum, the City will produce a 10-year financial plan.
- 3. Budget Parameters Budget parameters will maintain service levels, provide an opportunity to enhance services, and invest in critical infrastructure. The parameters for each budget component, expressed in terms of a general tax increase, are:
 - 3.1 Operating costs of capital will be included as part of the base budget parameter unless funding pressure requires a tax levy increase.
 - 3.2 Debt servicing will be funded within the capital budget parameter unless funding pressure requires a tax levy increase.
 - 3.3 One-time operating projects will be funded by reserve in order to stabilize and smooth out tax increases.

BUDGET COMPONENT	Low (%)	High (%)
Base Budget	1.5	2.0
Capital Budget	0.5	1.0
Ongoing New Services	0.0	0.5
ALL SERVICES	2.0%	3.5%
TOTAL UTILITY FEE INCREASE (includes sewer, water, solid waste and storm water parcel tax)	3.5%	5.0%

- 4. Non-Market Change Revenues from non-market change will be adjusted from general taxation levy calculations. To alleviate pressure to increase taxes, provide stability and maintain the integrity of the budget parameters non-market change revenue will first be applied to maintain the base budget parameter of 1.5-2 per cent and then allocated towards new services.
 - 4.1 The City will budget 100% of BC Assessment's mid-November NMC estimate.
- 5. Zero Base Operating Budget Increases The base operating budget provides annual funding to ongoing City services. Any increases to base operating budgets outside of contractual obligations or utility increases will be considered a new ongoing service level increase and will be evaluated during financial planning proceedings against other priorities.
- 6. Investment in Critical Infrastructure Continued investment in infrastructure is critical to ensure service levels are maintained. The capital budget parameter of an annual 0.5 to 1 per cent increase to taxation will be invested in the City's capital program to support ongoing investment in infrastructure to ensure effective delivery of services and asset management.
 - 6.1 Newfound revenue such as debt servicing for newly retired debt, will be allocated towards the capital program.
- 7. Asset Infrastructure Management The City will invest in asset management to keep infrastructure in a proper state of repair to avoid costly failures. Asset management ensures assets are maintained in a state of good repair while optimizing capital investment to maintain service levels and ensure best value for taxpayer's dollars.
- 8. Reserve Waterfall Structure The City's Reserve Policy will be applied to ensure funds are not sitting idle in any one reserve and are suitably allocated. The waterfall will follow policy to ensure desired levels of each reserve is preserved; current year surplus is to be transferred into working capital accumulated surplus with excess balances transferred to

- the Financial Stabilization Reserve and then allocated to capital reserves to fund the capital program.
- 9. Debt Policy The City's long-term debt policy establishes borrowing limits and uses of debt for external borrowing.
- 10. Business Case Decision Making and Capital Project Planning All requests for staffing and significant operating projects or new services require a business case. New capital projects require a project plan.
- 11. Property Tax Increase Each budget cycle, Council will consider the property tax increase required by first covering the projected cost increase for existing services at current service levels and then consider other enhancements.
 - 11.1 The City's tax increase will be calculated based on additional revenue required to balance the budget as required by the *Community Charter* and communicated as a percent increase over the prior year's general municipal revenue collected.
 - 11.2 The City will phase in tax increases when known changes influencing City finances are known to promote stability for taxpayers.
- 12. Self Financed Programs –The City's self financed programs include the Water Utility, Sewer Utility, Stormwater Utility and Solid Waste and Recycling programs. The costs for self financed programs should be fully funded by user fees. Any surplus or deficit from these programs is to be transferred at the end of each year to or from each reserve. These funds will also follow policy clauses 2,3,5,6,7,8,9,10 and 11.

SCHEDULE 'D'

Property Taxation Policy

Purpose

The purpose of the *Tax Policy* is to outline the proportions of revenue sources, the distribution of property taxes among property classes, and the communication of any tax changes from the prior fiscal year.

Objective

• To provide City taxpayers with stable, equitable, and understandable property taxation while providing high quality services.

Policies

- Tax rates will be adjusted annually to eliminate the impact of increases or decreases in assessment due to market changes, as identified by the British Columbia Assessment Authority.
- 2. Class 1 (Residential) taxes the City will strive to maintain a residential tax rate that provides for average municipal taxation on a representative household with its comparator communities of similar size and of those Vancouver Island communities with a population between 10,000 and 50,000. All data used to compare Campbell River against other communities shall be sourced from Local Government Statistics provided by the Province of BC.
- 3. Class 3 (Supportive Housing) the City will maintain a tax rate equal to Class 1 (Residential).
- 4. The City will strive to ensure all other classes of property receive an equal allocation of the percentage change in the annual tax levy.
- 5. The City may review its tax rates by property class as compared to the provincial average on a minimum three year basis to ensure rates are comparable and reasonable given assessed values in Campbell River as compared to other communities.
- 6. When necessary, tax class realignments will occur incrementally over a multi-year period.
- 7. New tax revenues related to the City's downtown revitalization tax exemption bylaw will be allocated to the downtown capital program.
- 8. The City's tax increase will be communicated as a percent increase over the prior year's general municipal revenue collected and calculated based on total taxes required to balance the budget.





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