



City of  
Campbell  
River

2023 - 2032 TEN YEAR

FINANCIAL PLAN

**BYLAW 3901, 2023**

# BYLAWS



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## **2023 - 2032 Ten Year Financial Plan Bylaw 3901, 2023**

**ADOPTED April 13, 2023**

### **PURPOSE**

A Bylaw for the City of Campbell River to authorize the ten-year financial plan for the years 2023 to 2032.

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 **2023 - 2032 Ten Year Financial Plan Bylaw No. 3901, 2023.**

**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 for the years 2023 to 2032. This bylaw replaces the Financial Plan for the years 2022 to 2031 adopted by Bylaw No. 3882, 2022.

**PART 3: Expenses**

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

READ THE FIRST TIME this 30<sup>th</sup> day of March, 2023

READ THE SECOND TIME this 30<sup>th</sup> day of March, 2023

READ THE THIRD TIME this 30<sup>th</sup> day of March, 2023

ADOPTED this 13<sup>th</sup> day of April, 2023

Signed by the Mayor and Corporate Officer this 18<sup>th</sup> day of April, 2023

  
\_\_\_\_\_  
Kermit Dahl, MAYOR

  
\_\_\_\_\_  
Sheila Girvin, CORPORATE OFFICER

# SCHEDULE 'A'

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>OPERATIONAL REVENUES</b>										
Revenue from Property Taxes	41,840,245	43,571,944	45,754,125	47,381,053	49,028,816	50,834,257	51,851,206	54,610,882	55,936,920	58,557,853
Revenue from Parcel Taxes	2,608,100	2,957,000	2,973,800	2,990,500	3,007,300	3,024,000	3,040,800	3,057,600	3,074,400	3,091,300
Revenue from Fees & Charges	25,400,195	26,108,702	26,865,210	27,642,380	28,461,774	29,304,706	30,174,972	31,080,140	32,016,044	32,983,665
Revenue from Other Sources	9,079,294	9,178,469	8,986,937	9,038,933	9,116,961	9,198,760	9,287,430	9,379,572	9,475,389	9,574,979
Surplus/Reserve Accounts	4,484,274	2,061,017	866,191	746,500	819,000	730,500	719,500	688,500	710,000	740,500
Transfers from Other Funds	671,508	240,107	112,985	115,674	118,295	120,569	972,518	124,164	755,432	126,446
Amortization Offset	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654
	95,451,270	95,484,893	96,926,902	99,282,694	101,919,800	104,580,446	107,414,080	110,308,512	113,335,839	116,442,397
<b>OPERATIONAL EXPENSES</b>										
General Operating Expenses	53,724,850	53,463,843	54,298,729	55,768,390	57,270,456	58,878,454	60,561,991	62,350,830	64,080,920	66,008,352
Airport Operating Expenses	4,536,942	4,152,907	4,271,085	4,281,974	4,435,995	4,483,069	4,613,418	4,637,164	4,804,432	4,835,346
Sewer Operating Expenses	3,609,456	3,578,522	3,663,226	3,694,286	3,756,739	3,810,624	3,840,981	3,897,851	3,966,277	4,026,301
Water Operating Expenses	4,896,062	4,679,125	4,748,634	4,819,786	4,892,623	4,967,193	5,043,540	5,121,714	5,201,764	5,283,741
Interest Payment on Debt	400,494	363,538	360,533	362,173	344,330	344,330	344,330	344,330	344,330	344,330
Principal Payment on Debt	782,313	713,395	706,727	672,615	645,199	645,199	645,199	645,199	645,199	645,199
Transfers to Other Funds	16,133,499	17,165,909	17,510,314	18,315,816	19,206,804	20,083,923	20,996,967	21,943,770	22,925,263	23,931,474
Amortization	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654	11,367,654
	95,451,270	95,484,893	96,926,902	99,282,694	101,919,800	104,580,446	107,414,080	110,308,512	113,335,839	116,442,397
Annual Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
<b>CAPITAL FUNDING</b>										
Grants	6,951,181	9,735,000	695,000	730,000	770,000	780,000	895,000	805,000	895,000	805,000
DCC & Other Revenue	1,758,363	3,625,000	125,000	125,000	1,634,280	125,000	125,000	125,000	125,000	125,000
Statutory Reserves	5,103,184	698,350	490,000	380,000	1,180,000	545,000	180,000	180,000	180,000	180,000
Surplus/Reserves	32,150,650	18,089,718	10,535,567	10,461,779	10,372,731	13,083,686	9,142,175	8,872,623	8,805,229	7,380,620
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-
	45,963,378	32,148,068	11,845,567	11,696,779	13,957,011	14,533,686	10,342,175	9,982,623	10,005,229	8,490,620
<b>CAPITAL EXPENSES</b>										
General Capital Expenses	26,897,704	19,904,418	6,353,537	6,362,341	7,690,885	7,035,738	4,187,267	4,327,715	3,443,223	3,221,374
Airport Capital Expenses	507,039	445,000	40,000	-	-	-	800,000	-	900,000	-
Sewer Capital Expenses	11,125,011	5,074,325	2,593,090	2,417,219	2,570,563	4,673,974	2,527,454	2,827,454	2,831,003	2,434,623
Water Capital Expenses	7,433,624	6,724,325	2,858,940	2,917,219	3,695,563	2,823,974	2,827,454	2,827,454	2,831,003	2,834,623
	45,963,378	32,148,068	11,845,567	11,696,779	13,957,011	14,533,686	10,342,175	9,982,623	10,005,229	8,490,620
Net Capital	-	-	-	-	-	-	-	-	-	-
<b>Financial Plan Balance</b>	-	-	-	-	-	-	-	-	-	-

# 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 2023.

**Table 1: Funding Sources, Fiscal 2023**

Property taxes	41,840,245	43.9%
Parcel taxes	2,608,100	2.7%
Fees & charges	25,400,195	26.6%
Other sources	9,079,294	9.5%
Surplus/reserve accounts	4,484,274	4.7%
Transfers from other funds	671,508	0.7%
Amortization Offset	11,367,654	11.9%
	95,451,270	100.0%

**Objectives and Policies:**

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

### 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 2023.

**Table 2: Distribution of Municipal Property Taxes, Fiscal 2023**

Class 1 - Residential	31,086,114	74.3%
Class 2 - Utilities	1,338,888	3.2%
Class 4 - Major Industry	41,840	0.1%
Class 5 - Light Industry	376,562	0.9%
Class 6 - Business & Other	8,577,250	20.5%
Class 7 - Managed Forest	292,882	0.7%
Class 8 - Recreation/Non-Profit	125,521	0.3%
Class 9 - Farm	1,188	0.0%
	41,840,245	100.0%

**Objectives and Policies:**

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

### C. Permissive Tax Exemptions

The Annual Report for 2023 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.

# 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.

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

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

## 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

1. 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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