



City of  
Campbell  
River

2024 - 2033 TEN YEAR  
FINANCIAL PLAN

**BYLAW 3941, 2023**

# BYLAWS



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## **2024 - 2033 Ten Year Financial Plan Bylaw 3941, 2023**

**ADOPTED December 14, 2023**

### **PURPOSE**

A Bylaw for the City of Campbell River to authorize the ten-year financial plan for the years 2024 to 2033.

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 **2024 - 2033 Ten Year Financial Plan Bylaw No. 3941, 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 comprise the Ten Year Financial Plan for the years 2024 to 2033. This bylaw replaces the Financial Plan for the years 2023 to 2032 adopted by Bylaw No. 3901, 2023.

**PART 3: Expenses**

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

READ THE FIRST TIME this 12 day of December, 2023

READ THE SECOND TIME this 12 day of December, 2023


READ THE THIRD TIME this 12 day of December, 2023

ADOPTED this 14 day of December, 2023

Signed by the Mayor and Corporate Officer this 14 day of December, 2023



Kermit Dahl, MAYOR



Sheila Girvin, CORPORATE OFFICER

## SCHEDULE 'A'

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>OPERATIONAL REVENUES</b>										
Revenue from Property Taxes	43,797,050	46,478,668	47,564,904	49,050,325	50,566,204	52,153,402	53,790,351	55,472,023	57,206,438	58,987,166
Revenue from Parcel Taxes	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	3,095,100
Revenue from Fees & Charges	27,166,238	27,933,458	28,746,127	29,591,353	30,450,888	31,338,085	32,260,626	33,214,257	34,200,077	35,219,285
Revenue from Other Sources	11,973,208	11,696,896	11,775,360	11,880,951	11,991,611	12,110,440	12,234,338	12,363,308	12,497,848	12,638,161
Surplus/Reserve Accounts	7,122,442	3,272,391	704,536	974,400	1,008,872	827,400	888,400	876,900	949,500	877,500
Transfers from Other Funds	204,841	53,272	55,527	58,125	61,240	535,155	69,114	664,083	79,424	85,706
Amortization Offset	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856	11,368,856
	104,589,635	103,777,341	103,205,810	105,931,310	108,471,671	111,374,138	113,669,285	117,033,827	119,393,443	122,271,774
<b>OPERATIONAL EXPENSES</b>										
General Operating Expenses	59,227,158	57,896,438	57,838,454	59,146,555	60,550,316	61,852,673	63,396,731	64,866,806	66,499,689	68,005,119
Airport Operating Expenses	5,209,241	4,880,528	4,986,373	5,093,775	5,236,860	5,323,755	5,445,786	5,570,983	5,733,776	5,839,194
Sewer Operating Expenses	3,866,900	3,783,183	3,817,268	3,882,840	3,939,943	3,978,620	4,033,915	4,135,877	4,169,551	4,244,989
Water Operating Expenses	5,259,532	5,011,024	5,086,892	5,164,579	5,244,133	5,325,607	5,409,053	5,494,527	5,582,085	5,721,786
Interest Payment on Debt	363,538	360,533	362,173	344,330	344,330	344,330	344,330	344,330	344,330	344,330
Principal Payment on Debt	713,395	706,727	672,615	645,199	645,199	645,199	645,199	645,199	645,199	645,199
Transfers to Other Funds	18,581,016	19,770,053	19,073,180	20,285,177	21,142,035	22,535,099	23,025,416	24,607,250	25,049,958	26,102,302
Amortization	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855	11,368,855
	104,589,635	103,777,341	103,205,810	105,931,310	108,471,671	111,374,138	113,669,285	117,033,827	119,393,443	122,271,774
Annual Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
<b>CAPITAL FUNDING</b>										
Grants	21,126,601	1,444,064	1,245,000	730,000	740,000	855,000	765,000	855,000	765,000	855,000
Statutory Reserves & Other Reve	4,847,981	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Surplus/Reserves	44,168,856	22,342,598	12,990,511	24,009,018	12,618,933	9,410,627	9,116,075	9,081,850	8,395,373	7,808,372
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-
	70,143,438	23,911,662	14,360,511	24,864,018	13,483,933	10,390,627	10,006,075	10,061,850	9,285,373	8,788,372
<b>CAPITAL EXPENSES</b>										
General Capital Expenses	34,215,092	10,735,378	7,627,835	7,600,688	5,989,837	4,190,649	4,306,097	3,455,872	3,973,275	3,470,032
Airport Capital Expenses	16,186,563	30,000	-	-	-	800,000	-	900,000	-	-
Sewer Capital Expenses	12,838,683	2,962,717	3,241,338	7,594,165	4,697,048	2,599,989	2,899,989	2,902,989	2,506,049	2,509,170
Water Capital Expenses	6,903,100	10,183,567	3,491,338	9,669,165	2,797,048	2,799,989	2,799,989	2,802,989	2,806,049	2,809,170
	70,143,438	23,911,662	14,360,511	24,864,018	13,483,933	10,390,627	10,006,075	10,061,850	9,285,373	8,788,372
Net Capital	-	-	-	-	-	-	-	-	-	-
Financial Plan Balance	-	-	-	-	-	-	-	-	-	-



# 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 2024.

**Table 1: Funding Sources, Fiscal 2024**

Property taxes	43,797,050	41.9%
Parcel taxes	2,957,000	2.8%
Fees & charges	27,166,238	26.0%
Other sources	11,973,208	11.4%
Surplus/reserve accounts	7,122,442	6.8%
Transfers from other funds	204,841	0.2%
Amortization Offset	11,368,856	10.9%
	104,589,635	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 2024.

**Table 2: Distribution of Municipal Property Taxes, Fiscal 2024**

Class 1 - Residential	32,540,020	74.3%
Class 2 - Utilities	1,401,506	3.2%
Class 4 - Major Industry	43,797	0.1%
Class 5 - Light Industry	394,173	0.9%
Class 6 - Business & Other	8,978,395	20.5%
Class 7 - Managed Forest	306,579	0.7%
Class 8 - Recreation/Non-Profit	131,391	0.3%
Class 9 - Farm	1,188	0.0%
	43,797,050	100.0%

**Objectives and Policies:**

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

### C. Permissive Tax Exemptions

The Annual Report for 2024 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> <small>(includes sewer, water, solid waste and storm water parcel tax)</small>	<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

# SCHEDULE 'D'

## Property Taxation Policy

### Purpose

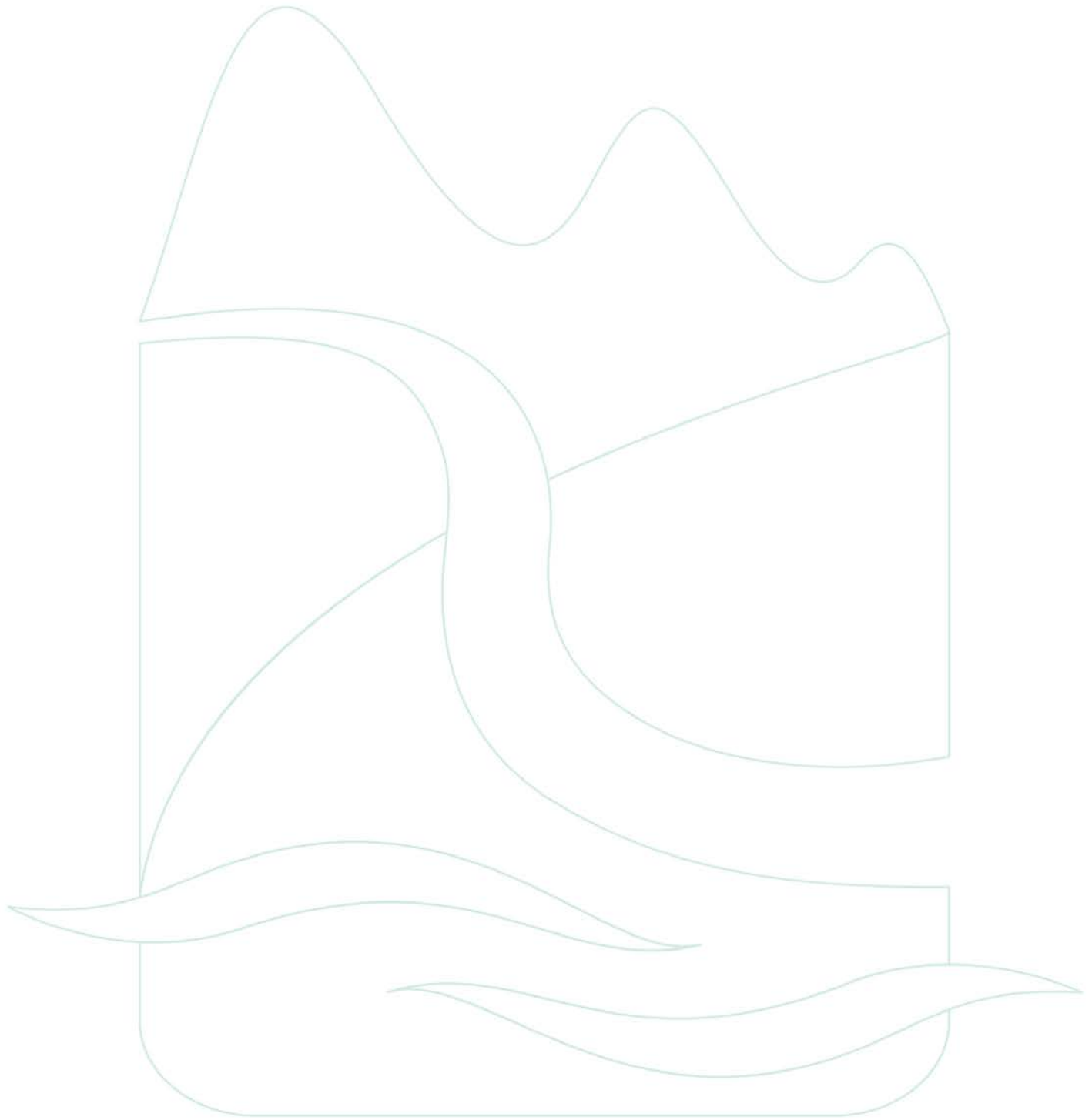
The purpose of the *Tax Policy* is to outline the proportions of revenue sources, the distribution of property taxes among property classes, and the communication of any tax changes from the prior fiscal year.

### Objective

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

### Policies

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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