

December 10, 2013

Council endorses base budget for 2014

During December 9 and 10 meetings, Council endorsed core services operating budgets for 2014 that will provide similar services to the 2013 levels.

Council began deliberations to address a \$460,016 budget deficit related to increasing contract, wage and utilities costs. Council lowered the outstanding amount to \$416,523, and the anticipated tax increase to maintain base service levels is approximately 2.25 per cent for the residential tax class. This amounts to approximately \$32 per year for the average home in Campbell River (valued at \$255,000 in 2013). Residential property owners with an average home value will pay approximately \$187/month for all City services.

There were no property tax increases for the Business tax class. Properties in the Managed Forest Lands tax class will see an increase phased in over three years, starting in 2014, that will generate \$33,926 in the first year. The Utilities tax class will see increases phased in over four years, with only half the first year's amount (\$52,568) applied in 2014, and the remainder spread out through 2017.

Highlights of Council deliberations:

- Changes to Managed Forest Land taxation rate will increase revenue by \$33,900 in 2014
- Changes to Utilities taxation rate will increase revenue by \$52,600 in 2014
- Decreased solid waste user fees by \$147,000 with MMBC (Multi-Material BC) subsidy, resulting in net decrease of approximately \$14 per household
- Operating budget reduced by equivalent of 1/3% (\$61,800) without affecting staffing levels
- Parks Parcel Tax remains at \$25 per parcel
- Council Contingency was reduced from last year's \$256,000 to \$150,000 (from Gaming revenue). This fund allows Council to respond unplanned/unbudgeted priority community needs that arise during the year.
- To upgrade and replace aging roads, storm drains and facilities:
 - Capital Works Reserve will be increased by 1/3% (\$61,800) from taxation
 - \$90,000 from Gaming revenue will be allocated to Capital Works Reserve

The City's financial plan discussion is a three-part process. Meetings will continue on January 16 and 29, when Council will discuss capital projects (funded out of reserves, debt, grant opportunities and taxation for unfunded items) and potential service level increases, for new, enhanced or previously provided services. Council will meet to adopt the 2014-2018 Financial Plan in March.

The City of Campbell River is legally required to table a balanced budget and to adopt a taxation bylaw before May 15, 2014.

###

Contact: Andy Laidlaw, City Manager 250-286-5740