

January 22, 2014

Council approves additional services for 2014 budget – Property tax increase now at 2.92%

During the January 20 meeting, Council approved service enhancements to the base operating budget approved in December. With these changes, the residential property tax increase is at 2.92 per cent for 2014, approximately \$41.26 per year for the average Campbell River home (valued at \$257,000). The property tax increase will be finalized when Council concludes discussions on the City's capital budget at the end of the month.

“Again this year, Council approved a fiscally conservative plan to maintain service levels and incorporate enhancements they considered important to the community,” says City Manager Andy Laidlaw.

Council also created a new financial stabilization reserve for 2014 with funds transferred from the general operating accumulated surplus balance. *“Due to collection of some significant one-time accounts receivable balances in 2013, the required minimum balance for the accumulated surplus decreased significantly, leaving an estimated \$851,000 above the calculated minimum. The accumulated surplus is used to provide cash flow to the City in the first part of the year before property taxes are collected and to avoid debt financing. The financial stabilization reserve was established to deal with fluctuating revenues related to areas such as land use and development, one-time unplanned expenses and rainy day funds,”* says Councillor Andy Adams, who holds the finance portfolio for Council.

Key service enhancements approved by Council included:

- Additional Bylaw Inspector (0.5 FTE): \$37,262
- Downtown Street Tree Maintenance: \$15,000
- Invasive Plant Species Implementation Plan: \$20,000
- Habitat for Humanity Request for 129 Westgate: \$33,000
- Fire Confidential Administrative Assistant (0.57 FTE): \$41,192
- Records Management Review: \$20,000
- Façade and Storefront Downtown Revitalization Program: \$50,000
- Discovery Pier Entry Sign Replacement: \$20,000
- Haig-Brown Kingfisher Parking Lot: \$21,500
- Museum Forestry Building Refurbishment: \$25,000
- Utility Box Beautification Program: \$15,000
- Parks Services Requests: \$25,000
- Urban Forest Management Plan: \$65,000
- Increased Airport Office Administration (0.5 FTE): \$31,705
- Airport High Speed Internet Service: \$50,000
- Surf Smelt Habitat Restoration: \$15,000
- Library Interior Painting: \$15,000
- Tidemark Carpet: \$25,000

The funding for these service enhancements comes from the facilities reserve, gaming reserve, community works fund reserve, airport improvement fee reserve, council contingency, utility user fees and general taxation.

In 2014, the annual Gaming Revenue will fund:

- Centennial Pool and summer recreation programs: \$300,000
- Capital Works Reserve: \$90,000
- Council Contingency – emergent Council / community needs: \$150,000



“As Chair of the Finance Committee I would like to extend my appreciation to staff for the excellent job in preparing the 2014 Financial Planning material. Particularly City Manager Andy Laidlaw, Finance Manager Myriah Foort, Finance Accounting Supervisor Dennis Brodie, and Al Kenning, who was extremely helpful in providing guidance and support to our staff,” Councillor Adams notes. “The process was clear and concise, and enabled Council to work through the major issues easily and efficiently. The result is a combination of modest service enhancements that members Council clearly heard were important to the community, facility improvements and upgrades to the Maritime Heritage Centre, Tidemark Theatre, City Hall and few other areas, and allocations that will assist a number of initiatives that the City can do in partnership with local organizations. While the tax increase is a little more than I would have liked, I fully support the collective decision of Council, and this demonstrates that Campbell River has moved past the subsidy and dependence of the former major industrial tax base. What is critically important is that Council must continue to actively find ways to enhance the business climate that will expand existing, and attract new businesses, that will form the foundation of a strong, balanced economic community. A strong business climate will greatly assist in providing the revenue to ensure that there are sufficient financial reserves to maintain the infrastructure of the community and replace essential equipment in a timely manner.”

Adams adds: “I am also extremely pleased that Council endorsed the recommendation of the Finance Committee to move the financial planning process to the beginning of the fiscal year. This enables decisions made at the financial planning meetings to be implemented in a timely manner within the fiscal year. This will be a challenge next year with the local municipal elections in mid November, but I would encourage staff to continue to move the financial planning process back so that where possible that financial decisions are finalized prior to the beginning of the fiscal year.”

The final stage of the 2014 budget process is the January 29 capital budget review of the general, airport, sewer and water funds, which includes review of roads, storm drain, sewer and water infrastructure, in addition to fleet, facility and parks requests to sustain City operations.

View recordings of the budget meetings on the City’s website (click on the Council Webcast button).

City services include: drinking water, sewer, emergency response, garbage, recycling and yard waste collection, flood protection, streets, sidewalks and traffic control, public recreation facilities, planning and building inspection, law enforcement and firefighters, parks, recreation and culture, transit and airport, environmental management, economic development, museum, art gallery and other facilities.

For more information about the City’s 2014 budget, please contact the City’s Finance Manager, Myriah Foort, CA at 250-286-5782.

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Contact:

Councillor Andy Adams

250-286-5708

Andy Laidlaw, City Manager

250-286-5740
