

December 17, 2020

2021 CITY BUDGET RELIEF FROM PROVINCIAL GRANT AND NEW CONSTRUCTION

Next year's City budget will include a lower tax increase and fewer service cuts than originally proposed.

Pressure on the City's budget was relieved by using a portion of the provincial COVID Safe Restart grant and additional property tax revenue related to new construction.

This funding allows the City to replenish reserves and bolster the base budget. Both were depleted by COVID-19-related revenue loss. These adjustments dropped the 2021 tax increase to 1.95 per cent, which equates to approximately \$41 on a Campbell River home of average value (estimated at \$442,000). Campbell River tax payers will also see reduced taxation for regional solid waste and hospital services, for anticipated savings of approximately \$80 on a home of average value.

"Council is deeply concerned about the financial impact of the pandemic on residents and local businesses," says Mayor Andy Adams. "Thanks to the additional funding, savings across all departments and the stability built into our 10-year financial plan, the City has successfully minimized the proposed property tax increase. Council will meet early in the new year to carefully consider the best use of the remaining provincial Safe Restart grant to benefit our community."

The 2021 budget preserves most Council decisions made in October, including \$876,100 in temporary service reductions and \$360,200 in permanent cuts, for a total of \$1.24 million in overall reductions.

The exceptions are:

- Funding to operate the Centennial Pool in 2021 (if public health restrictions allow)
- Using portion of Safe Restart grant to reduce the property tax subsidy for airport operation.

"This budget reflects service cuts that balance revenue loss due to the global pandemic as well as funding for recovery and service resumption, particularly at the airport," says Mayor Adams.

The budget includes a significant investment in downtown safety (select committee, matching grants for building and property improvements). The budget also includes \$69,000 for a COVID-safe by-election and a riverside parkette and signs that promote connection to the river and safe, outdoor activity in Campbellton.

"We appreciate Council's thoughtful deliberations and decisions that maintain funding for renewal and replacement of aging infrastructure and keep City finances well-positioned to respond to the ever-changing conditions of the pandemic," adds city manager Deborah Sargent. "The City anticipates another challenging year in 2021. Campbell River's remaining \$3.1M in provincial COVID Safe Restart grant funding will help the City adjust as the pandemic unfolds and eventually resolves."

The budget was adopted in time to submit to the Province before year-end.

View the 2021-2030 financial plan and recordings of the budget meetings at www.campbellriver.ca (click on the Council Webcast button).

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See Background information on following pages.

COVID-19

Please note: We have new procedures in place to help prevent the spread of COVID-19.

We are gradually – carefully – resuming in-person services and limited public access to City facilities. For the most recent information on City services, please see our website (campbellriver.ca). Reach us with general inquiries by email (info@campbellriver.ca) or telephone **250-286-5700**.

Highlights of 2021 budget

- Incorporates \$160,000 in additional property tax revenue from new construction
- Incorporates cost savings of \$1.24 million, including \$360,200 in permanent service reductions.
- Provides approximately \$80 million for operations, with another \$20.8 million for capital projects and infrastructure renewal
- Allocates unanticipated revenue and expired debt payment commitments directly to pay for infrastructure renewal and replacement – directing existing funding to re-invest in infrastructure without raising property taxes higher than budget parameters
- Includes a property tax increase of 1.95 per cent, which equates to approximately \$41 on a Campbell River home of average value estimated at \$442,000.
 - Increase is slightly lower than Council’s budget parameters for a predictable increase between 2 and 3.5 per cent to cover inflationary costs and contract increases in the base budget, including major contracts to maintain existing Fire, RCMP and transit services
- \$378,000 from provincial Safe Restart grant reduces property tax subsidy for airport operations
- \$725,000 of provincial Safe Restart grant helps replenish the gaming reserve (lost casino transfer)
- \$220,000 of provincial Safe Restart grant for Centennial Pool operations
- \$69,000 for by-election

Highlights of service reductions

- \$360,200 in permanent service reduction across many City departments.
- \$356,300 in recreation programming reductions in 2021
- \$165,600 temporary reduction in hours for airport administration and operations/maintenance, reflecting reduced service demand due to COVID-19 pandemic
- Social grants reduced from \$100,000 to \$50,000 (remaining \$50,000 to support downtown safety)
- \$5,000 annual transfer to Twinning Society for 2021 to 2024
- Reduced Council Contingency to \$75,000 in 2021

Highlights of service enhancements

- \$50,000 Robron Fieldhouse and \$31,000 Bike Park operating funds
- \$7,200 Willow Creek Road boulevard maintenance
- \$19,000 Landscaping maintenance Roberts Reach to Discovery Harbour Shopping Centre walkway
- \$121,000 Strategic human resources management – to recruit, retain workforce providing services
- \$5,000 to support Seniors information hub
- \$8,000 for Sybil Andrews heritage property landscaping
- \$4,000 for the next three years for Community Social Procurement Initiative Membership

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Highlights of capital projects

- \$12.1 million for continued Highway 19A and sewer upgrades in 2021 (funded by provincial and federal grants, debt incurred in 2018 and City reserve funds)
- \$150,000 Council Chambers sound system – for improved online accessibility (funded by reserve; no increase in property taxation)
- \$15,000 Cycling infrastructure (funded through Community Works Fund rather than property taxation)
- An additional \$60,000 for marine foreshore restoration (funded through Community Works Fund rather than property taxation)
- \$150,000 for Robron Pickleball courts construction (funded through Community Works Fund rather than property taxation); \$4,400 increase to future operating budget for annual maintenance
- \$132,600 CRadvantage 10th Avenue extension (funded through Community Works Fund rather than property taxation)
- \$705,000 for preparing downtown library site (VIRL will invest \$14M to construct a new facility) funded by the downtown revitalization tax exemption reserve; no increase to property taxes
- \$1.5 million for Seagull Walkway connecting Fisherman’s Wharf with Ostler Park (funded by City reserve funds; no increase to property taxes)
- \$200,000 to continue downtown storm water improvements (funded by storm water parcel tax funds); ongoing annual increases to storm water parcel taxes through 2022 under bylaw
- Up to \$107,000 for Campbellton parkette and wayfinding signs
- Up to \$798,000 for preparation of new library construction

Highlights of operating projects in 2021 (funded by reserve with no impact on property taxation)

- Downtown Safety initiatives, including potential task force (up to \$225,000)
- A new granting program to encourage business owners to upgrade their storefronts to incorporate crime prevention features
- Continued operation of the downtown safety office
- \$30,000 from former downtown small initiatives fund for 2021 commercial area beautification grants
- First Dollar industry advisory committees (up to \$40,000)
- Enhanced communications and economic development services (up to \$126,000)
- \$30,000 for Willis Road Connector marketing materials for lobbying

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Budget Facts

Consistent with Council’s direction, the property tax increase on a Campbell River home of average value is in the mid-range of tax rates when compared against other British Columbia communities of similar size.

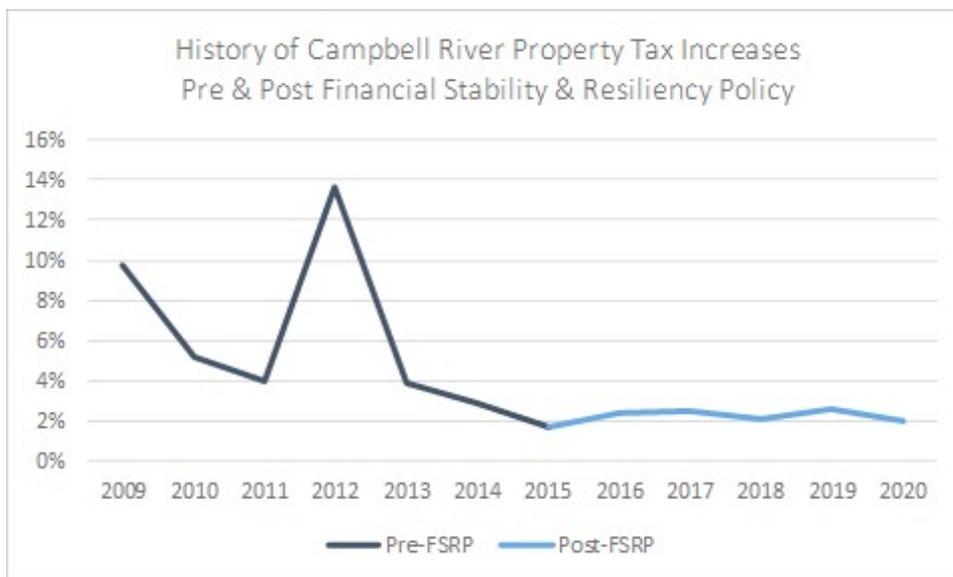
Less than half of the City’s budget is funded through local property taxation; the majority is funded through user fees, sale of services and senior government grants, including the Community Works (Federal Gas Tax) funds and provincial gaming grants continue to support community services and capital improvements, although funding from gaming has been significantly reduced due to COVID-19.

More than 35 per cent of the amount collected by the City is on behalf of other agencies (for provincial and regional district taxes, and for the hospital, schools and library).

The City’s budget efficiently maintains more than 100 services, including: drinking water, sanitary sewer, emergency response, garbage, recycling and yard waste collection, storm water management, streets, sidewalks and traffic control, development services, economic development, tourism, bylaw enforcement, fire protection, police, parks, recreation and culture programs and facilities, transit, airport, environmental management, museum, art gallery and other public facilities.

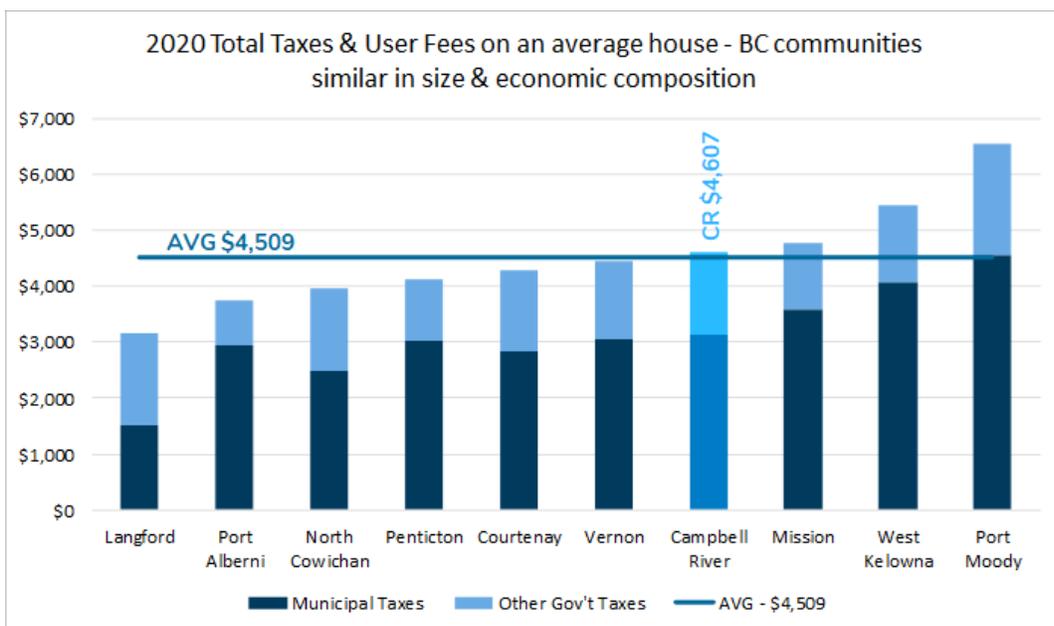
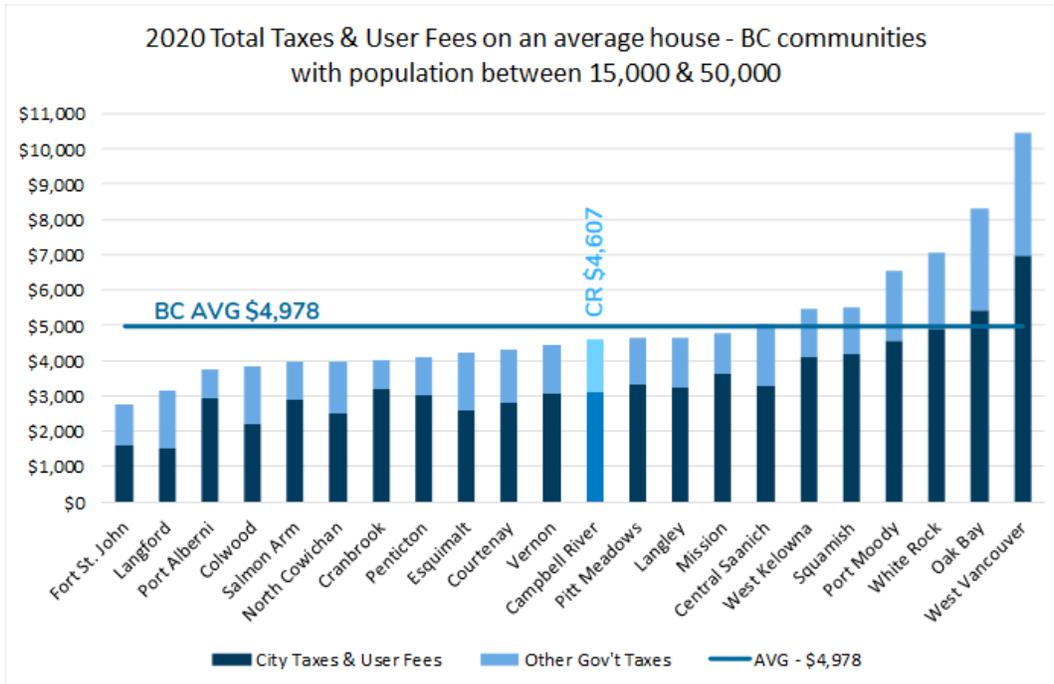
For five consecutive years, the international Government Financial Officers’ Association has recognized the City of Campbell River’s Budget through the distinguished budget presentation award.

View videos about City of Campbell River budgeting and property taxes at [youtube.com/cityofcampbellriver](https://www.youtube.com/cityofcampbellriver)



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