

March 10, 2023

CITY COUNCIL ADOPTS 2023 BUDGET

Continued core service delivery, investments in community safety and growth, and acknowledgement of difficult economic times prominent throughout this budget.

The City of Campbell River (the City) 2023-2032 Financial Plan has been set and a tax increase of 9.97% decided upon for 2023; this represents an approximate \$189 rise in annual property taxes for the average homeowner. Although this increase is higher than the City's established tax parameter increase, due to today's volatile economic climate, it reflects strong financial decisions by Council. The budget looks to provide stable funding for the City while new and alternative revenue streams and process improvements to reduce costs and increase capacity are explored.

Staff presented draft budget documents to Council during the Committee of the Whole meeting on February 21, 2023, with a proposed 11.27% tax increase. Financial deliberations then took place from Tuesday, March 7, to Friday, March 10, 2023. The meetings began by hearing from residents, businesses, and community groups through written submissions where a need for infrastructure renewal while managing the overall tax increase was expressed. Council then worked with staff over several days to analyze the proposed budget, locate efficiencies where possible and make tough decisions that balance the needs of today with the challenging economic climate that we find ourselves in.

Four components make up the 2023 Budget:

- 1) **The base operating budget** covers the day-to-day operations of the City, including road and park maintenance, fire and police services, etc. This year, a 7.52% tax increase is required to maintain these services due to contractual changes and economic impacts on revenue and expenses outside of the City's control. A 3.16% tax increase is directly related to the City's RCMP contract.
- 2) **New enhanced/ongoing services** addresses Council's Strategic Priorities and corporate needs. A 1.07% increase has been approved by Council to provide much-needed funding to meet the demands of a growing community and to address the impacts of inflation on City budgets.
- 3) **Operating projects** includes short-term strategic initiatives that are funded by reserve funds, and
- 4) **Capital Projects** focuses on asset replacement and renewal. The financial plan includes a 0.66% dedicated tax increase to invest in City infrastructure.

2023 Budget Highlights

- Budgetary pressures were partially relieved by increases in investment income, new housing revenues, and Council's decision to not take a remuneration increase for 2023.
- Investments were made to the City's growing resourcing needs and in Bylaw enforcement, Parks, and Policing, as well as significant investments in the renewal and enhancement of existing City assets.

"Budget deliberations are always tough and as a fellow Campbell River business and property owner I fully appreciate the impacts of a 9.97% tax increase. I want residents to know that Council did not make any budgetary decisions lightly and that throughout these discussions residents' and community wellbeing were top of mind," says Mayor, Kermit Dahl. *"High inflation, supply chain issues, labour market shortages and fixed increases to City contracts meant a tax increase was inevitable for 2023, however, I am proud of the work that staff and Council completed to minimize the increase while also investing in major needs for the community."*

The budget is scheduled for three readings on March 30, 2023, and is expected to be adopted at the Council meeting on April 13, 2023. It will be submitted to the Province by May 15, 2023, as required under the Community Charter. The final 2023 Budget will be posted to the City website in the coming weeks to reflect the changes made during budget deliberations. While changes are being made, the Draft 2023 Budget continues to be available at campbellriver.ca/financial-plans. To watch the budget deliberation recordings, visit campbellriver.ca/webcasts.

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