

**DATE:** March 6, 2025**FILE:** 1700-03**TO:** Chair and Directors  
Regional District Board**FROM:** James Warren  
Chief Administrative OfficerSupported by James Warren  
Chief Administrative Officer**RE:** 2025-2029 Recommended Financial Plan**Purpose**

To present the 2025-2029 recommended financial plan and request the Board's consideration of first, second and third readings. Adoption of this bylaw is proposed for the March 18, 2025 meeting.

**Recommendation from the Chief Administrative Officer:**

THAT Bylaw No. 864 being "Comox Valley Regional District 2025 to 2029 Financial Plan and Capital Expenditure Program Bylaw No. 864" be given first, second and third readings.

**Executive Summary**

On an annual basis, the Board adopts a five-year financial plan. It is through this plan and respective bylaws that staff can execute on operational plans and capital projects. The recommended budget includes the financial resources necessary to delivery sustainable services and to advance the Board's strategy.

- On January 28, 2025, the Chief Financial Officer delivered the proposed budget. A concise overview was presented which gave a summary of the financial plan, including a listing of significant projects and projected tax implications for partnering municipalities and electoral areas.
- The proposed budget package was posted on January 21, 2025 through the financial planning section of the CVRD website, as well as the Engage Comox Valley site.
- Eight dedicated budget deliberation meetings were held over February 3<sup>rd</sup> to 12<sup>th</sup>. Over this time, respective service budgets, falling under the authority of the Board, Electoral Areas Services Committee (EASC), Black Creek – Oyster Bay Services Committee, Sewage Commission, Water Committee, Recreation Commission and Regional Parks and Trails Committee were presented, discussed and deliberated. Of the approximately 100 services, four required follow up information.

- Follow-up items were addressed over February 24<sup>th</sup>, 25<sup>th</sup> and March 4<sup>th</sup>.
- The Comox Strathcona Solid Waste Management (CSWM) Board considered and adopted the recommended budget with amendment on January 30, 2025.

All CVRD services have now received the required endorsement. Following all board resolutions staff have drawn together the recommended budget. A total of \$49.9 million in requisitions are planned to support 2025 service delivery, including \$9.5 million for the Courtenay/Comox sewer levy and the Comox Strathcona Waste Management (CSWM) requisition of \$5.5 million, with the remaining \$34.9 in tax requisitions to support sustainable delivery of the non-utility CVRD services. Through budget deliberations and subsequent board resolutions, the CVRD tax requisitions were reduced by \$1.29 million from the proposed budget of \$36.2 million to \$34.9 million.

- Recommended 2025 taxation will increase by \$2.34 million or 7.2 per cent over 2024. The proposed budget included a \$3.6 million increase or 11.2 per cent.
  - As directed by the Board, and in recognition of economic uncertainties, staff have considered individual service reserve balances and 2024 surplus figures to identify areas where further tax relief can occur. Staff have adjusted proposed budgets by \$384,449 in tax stabilization funding.
  - The overall 2025 recommended operating budget is \$111.6 million; this represents a change of \$10.1 million from the proposed budget. The increase includes \$3.02 million in 2024 operating carry forward projects and \$6.87 million of unallocated surpluses.
  - The overall 2025 recommended capital budget is \$102.9 million; this represents a change of \$41.0 million from the proposed budget. The increase represents the 2024 capital carry forward projects.
  - The 2024 surplus figures have been finalized and incorporated into the recommended version of the budget. Where financially sound, 2024 surplus funds have been used to in part reduce tax requisitions.
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- A portion of the additional tax dollars will be used to bring increased service levels to the community. These services are aligned with the Board's strategy and include enhanced fire and emergency preparedness services, more parks and greenways, improved recreation facilities and funding for affordable housing.
  - The CVRD delivers essential utility services to the Comox Valley. Revenue to sustain the core services of water supply and sewage treatment is raised through utility rates, parcel taxes and levies. Rate increases are incorporated into the budget as determined through utility rate review exercises and as adopted within established bylaws. Total 2025 revenue for water supply

services is \$15.4 million, sewage treatment is \$12.4 million and solid waste management is \$20.6 million.

- The final step within the budget cycle involves receiving the final assessment role from the BC Assessment Authority (BCAA). The role will be received late March and will be used to establish the apportionment between participants. This final update does not affect the budget bylaws as adopted nor the total budgeted tax requisitions
- Once adopted, staff will update the budget package and post to the website material reflective of the Board’s adopted budget.
- The results of 2025 public engagement into budget includes five questions and four items of feedback. Other elements of budget engagement do occur and include citizen inquiries to staff and interactions with elected officials.

Prepared by:

Concurrence:

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 Chief Financial Officer

**Background/Current Situation**

Operating Budget

Table 1 shows the overall changes between the 2025 proposed and recommended operating budgets.

**Table 1 – 2025 Proposed vs. Recommended Operating Budgets**

	Proposed	Recommended	Change
<b>Revenues</b>			
Frontage Parcel Tax	\$1,730,730	\$1,730,730	-
Requisitions/Levies:			
CSWM Requisition	5,500,000	5,500,000	-
Courtenay/Comox Sewer Levy	9,500,000	9,500,000	-
CVRD Services Tax Requisition	36,243,223	34,948,227	(\$1,294,996)
Grants in Lieu	316,959	316,959	-
Senior Government Grants	2,330,617	5,989,087	3,658,470
Sales of Services – User Fees	31,061,764	30,751,163	(310,601)
Other Revenue/Recoveries	11,916,008	11,906,008	(10,000)

	Proposed	Recommended	Change
Transfer from Reserve	1,000,659	1,085,838	85,179
Prior Year Surplus	1,967,788	9,890,380	7,922,592
<b>Total Revenue</b>	<b>\$101,567,748</b>	<b>\$111,618,392</b>	<b>\$10,050,644</b>
<b>Expenditures</b>			
Personnel Costs	\$28,950,798	\$28,911,962	(\$38,836)
Operating Costs	48,794,619	55,857,036	7,062,417
Debt Charges	11,825,324	11,860,324	35,000
Contributions to Reserves	11,130,856	14,113,447	2,982,591
Transfers to Other Functions	806,151	796,151	(10,000)
Transfers to Other Governments	60,000	60,000	-
Deficit Prior Year	-	19,472	\$19,472
<b>Total Expenditures</b>	<b>\$101,567,748</b>	<b>\$111,618,392</b>	<b>\$10,050,644</b>

Notable changes to proposed tax requisition include the following:

Service #	Service Name	Change	Description
265	Search and Rescue	\$100,000	Increase in reserve contributions to support facility needs
450	Emergency Shelter Land Acquisition	(\$500,000)	Reduction of reserve contributions resulting from board direction to move to the foundational option as presented at October 2024 board meeting
124	Hornby Island Grant In Aid	\$7,500	Increase in grants
500	Planning	(\$320,000)	Use of 2024 surplus and FFE reserve for tax stabilization. (Reduces 2025 reserve contributions)
555	Denman Island Economic Development	(\$23,000)	Reduction in operational grant
670	Hornby Island Community Facilities	\$10,000	Increase in grant to Hornby Island Arts Council
625	Regional Parks and Trails	(\$144,500)	Deferral of additional staffing to 2027 and reduction in reserve contributions

**Impact to Taxpayers**

The recommended budget includes \$34,948,227 in tax requisitions needed to support non-utility CVRD services. This figure has a net decrease of \$1,294,996 from the proposed budget.

The implications to the average household, as estimated for the recommended budget, vary depending on the assessed value of properties and the mix of services any particular property receives. Property tax changes in year over year increase/decrease ranges from \$39.20 to \$61.05 for municipalities and \$39.62 to \$133.00 for the rural areas. The year over year change is determined by using the specific tax rate per service and multiplying by the typical assessed value. The typical assessed value is provided by BCAA.

The additional tax funds will bring value added citizen services as noted below:

- Service 270 Comox Valley Emergency Management: requisition has been increased by \$196,546 from the 2024 adopted budget to support essential core operations and to continue with multi-year regional training development and training delivery.
- Service 645 Comox Valley Recreation Complexes: requisition has increased \$552,030 to support asset management, such as lifecycle and renewal needs.
- Service 450 Emergency Shelter Land Acquisition: requisition has increased \$177,647 to build reserves for future development of non-market housing.
- An additional \$331,529 is being raised to support the operations and asset management needs for multiple fire services.
- Enhancements to electoral area parks and greenways will be supported with an additional \$237,000.
- Transit services levels will be increased however requisitions will be maintained at 2024 levels.

Capital Budget

Table 2 shows the overall changes between the proposed versus recommended capital budgets.

**Table 2 – 2025 Proposed vs. Recommended Capital Budgets**

Funding Sources	Proposed	Recommended	Difference
Senior Government Grants	\$9,163,851	\$23,601,354	\$14,437,503
Other Revenues / Recoveries	6,438,000	9,359,116	2,921,116
Short-Term Debt Proceeds	24,311,400	37,943,601	13,632,201
Long-Term Debt Proceeds	2,755,000	4,056,667	1,301,667
Transfers from Operating	-	347,451	347,451
Transfers from Reserve	17,898,135	26,110,883	8,212,748

<b>Funding Sources</b>	<b>Proposed</b>	<b>Recommended</b>	<b>Difference</b>
Transfers from Others	790,233	965,617	175,384
Unexpended Debt Carry Forward	467,896	467,896	-
<b>Total Funding Sources</b>	<b>\$61,824,515</b>	<b>\$102,852,585</b>	<b>\$41,028,070</b>
<b>Expenditures</b>			
Building and Improvements	\$ 7,903,991	\$11,208,288	\$3,304,297
Land and Improvements	11,615,416	11,906,538	291,122
Landfill Closure	521,000	1,636,861	1,115,861
Machinery & Equipment	2,325,925	2,732,925	407,000
Other	2,349,500	2,890,500	541,000
Water/Sewer/Solid Waste Infrastructure	37,108,683	72,477,473	35,368,790
<b>Total Expenditures</b>	<b>\$61,824,515</b>	<b>\$102,852,585</b>	<b>\$41,028,070</b>

Most of the change is attributable to the finalized 2024 capital carried forwards.

The capital budget includes significant CVRD initiatives. Many of the projects are associated with the Core Services of Water Supply and Sewage Treatment (see Utility section below). Other community amenities are planned for within the Core Service of Recreation and Regional Emergency.

- Multiple planned firehalls: Denman Island, Union Bay and Mt. Washington (\$15.2 million 2025 - 2027)
- Dyke Road Park (\$741,000 2025), Greenway at Royston School and Lazo Road (\$2 million 2025)
- New Turf Field (\$6.0 million 2025)
- Capital projects for Recreation Facilities include \$44 million (2025-2029) for asset management needs and the planned new arena
- Various projects at the Comox Exhibition centre (\$918,000 2025-2029)

#### Utility Operations – Core Service Water Supply and Sewage Treatment

The CVRD has essential roles in providing utility services to households in the valley. Utility rates are the primary means for funding, however; and as is the case in many services in this area, a parcel tax is used to fairly distributed the cost of capital infrastructure.

In 2023, water rate reviews were conducted for most water services. The 2025 financial plan includes the results of the endorsed rates which see gradual increases needed to protect the sustainable operation of critical water systems. Households have received related information and can also refer to the CVRD website for further specific information. Total revenue for water and sewage utility operations is \$27.8 million with major components being:

<b>Water Supply and Sewage Treatment</b>	<b>2025 Recommended</b>
Sales and Services (Utility Rates)	\$12,465,088
Parcel Tax	1,537,272
Sewage Levy	9,500,000
Other	4,327,897
<b>Total Revenue</b>	<b>\$27,822,927</b>

Capital infrastructure and the management of, is an essential component to utility operations.

Notable utility capital projects include the following:

- Completion of the Sewer Conveyance Upgrade (\$58.4 million 2025-2027)
- Sewage Treatment Plant Upgrade (\$46 million 2027-2029)
- Water South Services Extension (\$24.7 million 2025-2027)
- Phase II Union Bay Water Treatment Plan (\$5 million 2025-2026)
- Union Bay Water Pipe Replacement (\$5 million 2026-2029)
- Graham Lake Water Treatment Plant (\$4 million 2025-2027)

#### Comox Strathcona Solid Waste Management (CSWM)

The CVRD is responsible for the operations and management of the CSWM service as directed through the CSWM board and the adopted financial planning policy. As such, the CSWM 2025 -2029 financial plan and capital expenditure program is included in the CVRD financial plan bylaw. The CSWM 2025 budget includes \$20.6 million for operational expenditures and \$6.96 million for capital projects. The recommended financial plan was considered and adopted by the Board at the January 30, 2025 meeting. The recommended budget includes revenue as follows:

<b>Solid Waste Management</b>	<b>2025 Recommended</b>
Sales and Services (Tipping Fees)	\$12,338,351
Requisitions	5,500,000
Other	2,772,980
<b>Total Revenue</b>	<b>\$20,611,331</b>

#### **Options**

1. Endorse the 2025-2029 Recommended Financial Plan as presented and proceed to give the first three readings of Bylaw No. 864.
2. Recommend further adjustments to recommended budget. Budget bylaws will be updated with the final bylaw for consideration of adoption included on the March 18, 2025 Board agenda.

With a robust budget deliberation process now complete, staff recommend Option 1.

Strategic Considerations - Strategic Drivers									
Fiscal Responsibility	✓	Climate Crisis and Environmental Stewardship and Protection	✓	Community Partnerships	✓	Indigenous Relations	✓	Accessibility, Diversity, Equity and Inclusion	✓

The annual financial process is an essential component to fiscal responsibility. The Board’s endorsed budget bylaw gives the authorization for the advancement of strategy and delivery of Core Services. The planning process continues to be strengthened through greater levels of financial analysis, standardizing data, improving long range projections and progressing with principles of asset management.

Strategic Considerations - Regional Growth Strategy Goals							
Housing	✓	Ecosystems, Natural Areas and Parks	✓	Local economic development	✓	Transportation	✓

**Citizen/Public Relations**

Public engagement into budget has been conducted with submissions being shared with elected officials throughout the process. Once adopted by the Board, the recommended budget will be published to the website.

Attachments:

Attachment A - Comox Valley Regional District 2025-2029 Financial Plan and Capital Expenditure Bylaw No. 864 with 2024 Schedules A, B and C