



The Corporation of the City of Courtenay

# Staff Report

**To:** Council

**File No.:** 1705-20/1715-20

**From:** Director of Finance

**Date:** April 23, 2025

**Subject:** 2025 Tax Rate Bylaw and Financial Plan Amendment Bylaw

## PURPOSE:

- To seek first, second, and third readings of “2025-2029 Financial Plan Amendment Bylaw No. 3180, 2025” to capture minor changes from original 2025-2029 Financial Plan adoption on March 12, 2025.
- To seek first, second, and third readings of “2025 Property Tax Rate Bylaw No. 3179, 2025” that provides tax rates for 2025.
- To seek first, second, and third readings of “Sewer Service Frontage Tax – Amendment Bylaw No. 3181, 2025” and “Water Service Frontage Tax – Amendment Bylaw No. 3182, 2025” to remedy administrative bylaw references.

## BACKGROUND:

Per Section 197 of the *Community Charter*, each year, after adoption of the financial plan but before May 15, a council must, by bylaw, impose property value taxes for the year by establishing tax rates for

- a) the municipal revenue proposed to be raised for the year from property value taxes, as provided in the financial plan, and
- b) the amounts to be collected for the year by means of rates established by the municipality to meet its taxing obligations in relation to another local government or other public body.

The City has adopted the “2025-2029 Financial Plan Bylaw No. 3165, 2025” on March 12<sup>th</sup>, 2025 satisfying the *Community Charter* requirement of having an adopted financial plan prior to adoption of a tax rate bylaw.

## DISCUSSION:

### Tax Rate Bylaw

The “2025 Property Tax Rate Bylaw No. 3179, 2025” contains tax rates for the following organizations:

- City of Courtenay
- Vancouver Island Regional Library
- Comox Valley Regional District (General Assessment Based Services)
- Comox Valley Regional District (Hospital Assessment Based Services)
- Comox Strathcona Regional Hospital District
- Downtown Courtenay Business Improvement Area

The City collects taxes on behalf of these organizations and is responsible for distribution of taxes collected. The total taxation to be collected is \$51.3 million of which the portion that goes to fund City operations are \$37 million which represents 72% of the total. The City collects taxation for School, Municipal Finance Authority and BCA Assessment Authority however these organisations approve and provide their own tax rates and therefore are not included in the City’s tax rate bylaw.

The property tax bylaw is being requested for an early adoption (April 30 tentative) as staff would like to prepare and mail tax notices early. The rationale for the earlier adoption and mailing is to try and get notices out before Canada Post is able to resume job action which could commence on May 22. Early adoption provides about 2 clear weeks for notices to flow through the postal system.

Additional information will be included regarding the possible Canada Post job action encouraging people to pay online, through their bank or in person as opposed to mailing cheques. The property tax deadline remains at Wednesday July 2, 2025.

### **2025-2029 Financial Plan Amendment**

City adopted the “2025-2029 Financial Plan Bylaw No. 3165, 2025” on March 12<sup>th</sup>, 2025, the amendment bylaw being presented is intended to capture changes that occurred from time of bylaw preparation (January – February) to today. Notably BC Assessment information when projecting property tax revenue is based on the Completed roll which is released in January however in April BC Assessment releases the Revised roll which captures changes from appeals or errors to provide the basis for 2025 property taxation. The advantage of adopting a financial plan prior to the release of the BC Assessment revised roll is to allow the authorization of spending for new initiatives or projects not included in the 2025 year of the 2024-2028 Financial plan. Further early adoption of a financial plan provides clear direction on priorities for the current year permitting work to commence earlier rather than waiting until the May adoption deadline.

### **Notable Changes**

- Fleet Management – Increase of \$24,000 from fleet reserve to cover the costs of outfitting pickups with lift gates, initially it was thought that the F150 Lightening did not have adequate payload to be equipped with lift gates however through further investigation appropriate lift gates have been sourced that meet the trucks specifications and the City’s operational needs.
- River Side Park redevelopment moved from 2026 to 2027 - \$75,000
- 6<sup>th</sup> Street Pedestrian Bridge capital project changed by \$4.3M funded through an increase to long term debt. Interest and debt payments commencing for ½ year in 2026 will be \$226K annually
- Removal of Community Garden special project in 2026 resulting in a reduction of \$75,000
- Property taxation decreased by \$8,300 as a result of minor assessment appeals through BC Assessment
- Capital project carry forward amounts updated to match actual spending in 2024, budget assumption is that all projects funded and approved in 2024 carry forward unless specific direction is received.

Working from the adopted Financial Plan bylaw through to the amendment there has not been a material impact to taxation, surplus utilization or expenses. The most significant change is the 6<sup>th</sup> Street Pedestrian Bridge project however the debt servicing impacts are not fully being realized until 2027. The amendment to the financial plan mostly addresses the operational impacts of accurately forecasting the remaining budgets for capital projects carried forward from 2024 to 2026.

### **Water and Sewer Service Frontage Tax Amendments**

At the February 26 and March 12 Council meetings, Council adopted “Water Service Frontage Tax - Amendment Bylaw No. 3168, 2025” and “Sewer Service Frontage Tax - Amendment Bylaw No. 3170, 2025,” which amended the frontage tax rate charged per metre.

Upon review when filing these bylaws, it was identified that the amendment bylaws referenced the incorrect bylaw numbers. To remedy this, new amendment bylaws have been prepared with the appropriate references to the original (“root”) bylaws. There is no impact from this change as frontage fees are levied at the same time as property tax for the year.

**POLICY ANALYSIS:**

“2025-2029 Financial Plan Bylaw No. 3165, 2025” authorizes the revenue to be collected and spending to be completed in the year. The financial plan bylaw must be adopted prior to the tax rate bylaw.

**FINANCIAL IMPLICATIONS:**

The annual property tax rate bylaw sets the property tax rates per \$1,000 of assessed property value. The tax rate bylaw itself does not authorize spending or revenue collection it is simply the tool to provide the property taxation revenue as identified in the Financial Plan bylaw.

**ADMINISTRATIVE IMPLICATIONS:**

Once the property tax rate bylaw is adopted staff will prepare the annual property tax notices that are normally mailed out mid-May. With the possibility of a Canada Post strike staff is recommending an earlier adoption of the tax rate bylaw to provide time to mail tax notices as early as possible.

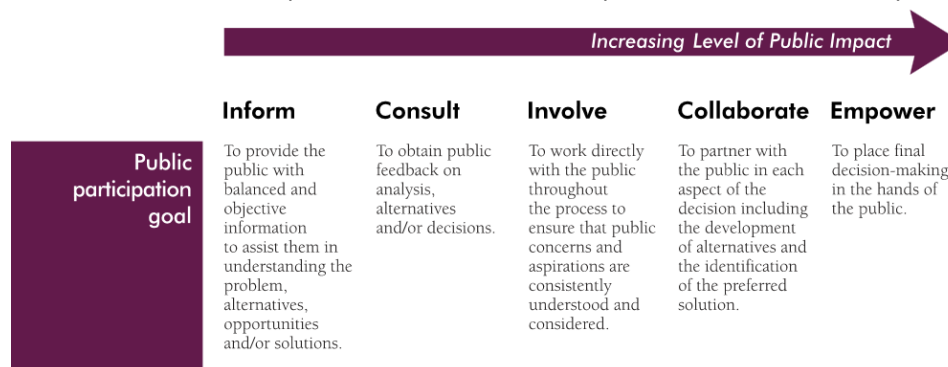
Once notices are mailed the annual collection process starts with a busier than normal City hall. Normally there is a rush when people first receive their property tax notice, and then a final rush leading up to the deadline which is Wednesday July 2, 2025 (consistent with prior years).

If property taxes remain unpaid after the July 2 deadline a 10% penalty is applied to the outstanding balance on current year’s taxes. There is no daily interest charged on current year’s unpaid taxes until January 1<sup>st</sup> of the following year. Unpaid taxes from 2025 carrying over to 2026 are considered in arrears and are charged daily interest until paid. Unpaid taxes from 2024 carrying over to 2026 are considered delinquent and are also charged daily interest until paid. If delinquent property taxes are not paid by the September tax sale deadline the property will be put up for sale at the annual tax sale.

Interest is only charged on the outstanding balance of taxes. Interest rates are dictated by the Province and the effective interest rate as at April 1, 2025 is 7.95% with the next rate updated scheduled to occur on July 1, 2025.

**PUBLIC ENGAGEMENT:**

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



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**OPTIONS:**

THAT Council give first, second and third reading to “2025-2029 Financial Plan Amendment Bylaw No. 3180, 2025”.

THAT Council give first, second and third reading to “2025 Property Tax Rate Bylaw No.3179, 2025”.

THAT Council give first, second and third reading to “Sewer Service Frontage Tax – Amendment Bylaw No. 3181, 2025”.

That Council give first, second and third reading to “Water Service Frontage Tax – Amendment Bylaw No. 3182, 2025”.

1. THAT Council provide alternative direction to staff.

**ATTACHMENTS:**

1. 2025-2029 Financial Plan Amendment Bylaw No. 3180, 2025
2. 2025 Property Tax Rate Bylaw No. 3179, 2025
3. Sewer Service Frontage Tax – Amendment Bylaw No. 3181, 2025
4. Water Service Frontage Tax – Amendment Bylaw No. 3182, 2025

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