

April 28, 2025

**REPORT TO:** K. KEHLER, CHIEF ADMINISTRATIVE OFFICER

**FROM:** J. HOLMES, DIRECTOR OF FINANCE

**SUBJECT:** 2025 MUNICIPAL PROPERTY TAX RATES

**PURPOSE:** *Provide information to Council regarding 2025 tax rates bylaw*

---

**EXECUTIVE SUMMARY:**

The tax rates bylaw requires approval by Council for the 2025 property taxes to be levied. As part of the amended 2025-2029 Financial Plan, Council approved at its April 23, 2025, regular meeting a 5.5% tax increase in property tax revenue from 2024 to provide funding for municipal services. The 2025 property tax rate will increase the municipal portion of property taxes by approximately \$98 from 2024 for the average assessed residential property, valued at \$795,000 in 2025.

In accordance with Council's prior and current year resolutions, 0.5% of the increase will be transferred to the General Fund Capital Reserve, 0.3% to the Water Fund Capital Reserve, and 0.2% to the Sanitary Sewer Fund for future capital asset renewal. Additionally, 0.2% of the increase will be transferred to the Protective Services Reserve for future fire and police services operating and capital requirements.

**RECOMMENDATION:**

1. THAT the report from the Director of Finance dated April 24, 2025, entitled "2025 Municipal Property Tax Rates" be received.
2. THAT the 2025 Tax Rates Bylaw be advanced to the statutory process.

**BACKGROUND:**

Section 197 of the *Community Charter* requires Council to establish by bylaw the property value taxes for its own purposes and to meet the taxing obligations of its Regional District. This bylaw is required to be adopted after the adoption of the financial plan and by May 15 each year.

For the City's property taxes, Council has the option of increasing the rates of each property class by the same amount or vary the increase or decrease of particular property classes.

Council adopted "Financial Plan Bylaw, 2025-2029, No. 1594" at the January 20, 2025, regular meeting. Following presentations by staff at its regular meeting on April 7 and at the special Committee of the Whole meeting on April 9, Council approved amendments to the financial plan after further consideration at the April 23 regular meeting.

The rates for “General Municipal Purposes” in the attached schedule of property tax rates reflect the increase of 5.5% in property tax revenue included in the 2025-2029 Amended Financial Plan. Property taxes on any new construction are considered new taxes and are in addition to this increase. These rates will be applied to the City’s 2025 assessed property values of approximately \$6 billion to generate approximately \$20 million in property tax revenue for the City, an increase of \$1.4 million over 2024.

For information purposes, attached to this report is Schedule A which shows the draft 2025 property tax rates. The City’s tax rates bylaw includes rates not only for the City of Parksville, but also for the Vancouver Island Regional Library, Regional District of Nanaimo, Nanaimo Regional Hospital District and the Parksville Downtown Business Improvement Area.

**OPTIONS:**

1. Approve the 2025 property tax rates with a 5.5% rate increase from 2024 to the City of Parksville portion of the property taxes for all tax classes.
2. Adjust the property tax rates by some other percentage.

**ANALYSIS:**

Option 1: Council’s approval of the attached 2025 tax rates is necessary to generate the property tax revenues required to fund the variety of services provided to residents for 2025 in the 2025-2029 Amended Financial Plan.

The following table summarizes estimated local and regional property tax increases for the average residential property in the City of Parksville:

| <b>Jurisdiction</b>                         | <b>Estimated \$ increase<br/>from 2024</b> |
|---|--|
| City of Parksville General Municipal (5.5%) | \$98                                       |
|   |  |
| Vancouver Island Regional Library           | \$5  |
| Regional District of Nanaimo                | \$45                                       |
| RDN Northern Community Wastewater           | \$44                                       |
| Nanaimo Regional Hospital District          | \$75                                       |
| <b>Total</b>                                | <b>\$267</b>                               |

Option 2: Reducing the approved tax rate increase will result in a shortage in tax revenues compared to the amount included in the 2025-2029 Amended Financial Plan and could leave the municipality in a deficit situation. A higher increase to tax rates will provide additional property tax revenue in 2025 than is currently included in the Financial Plan.

**FINANCIAL IMPLICATIONS:**

Increasing property taxes by 5.5% will generate approximately \$1.4 million in additional tax revenue to provide funding for operating and capital expenditures approved in the first year of the City's five year financial plan.

To support the City's capital asset management strategy, the 5.5% total increase includes 0.5% that is transferred annually to the General Fund Capital Reserve (\$405,000 in 2025), a 0.3% transfer to the Water Fund Capital Reserve (\$55,500 in 2025), and a 0.2% transfer to the Sanitary Sewer Fund Capital Reserve (\$37,000 in 2025) for future capital asset renewal. Further, 0.2% of this tax increase will be transferred to the Protective Services Reserve (\$68,000 in 2025) to provide funding for future fire and police operating and capital expenditures.

Tax deferrals are available from the Province to eligible families, people with disabilities and qualified applicants over 55.

**ASSET MANAGEMENT IMPLICATIONS:**

The 2025-2029 financial plan includes investments in the City's asset management program, including the completion of two infrastructure master plans and a project to synthesize the capital infrastructure data compiled in recent years into a long-term capital plan that will inform the asset management plans for major infrastructure asset classes (and related long-term capital financing plans). Council also approved the continuation of incremental annual investments totaling 1% of property taxes in capital reserves to fund replacement and renewal of significant capital assets.

**STRATEGIC PLAN IMPLICATIONS:**

**Advocacy** – the advances in the City's asset management planning, including the contributions to capital infrastructure renewal reserves, will put the City in a good position to apply for senior level government grants that require a demonstrated commitment to long-term capital and financial planning.

**Official Community Plan Review and Update** - the 2025-2029 amended financial plan includes funding for the update of the OCP starting in 2025.

**Vibrant and Livable Downtown** – The amended five year financial plan includes a total investment of \$300,000 for lighting in the downtown core in 2025 to 2027, continued funding for City-hosted special events, \$110,000 for a City-owned parking lot, and additional wages for staff to support City facilities and Community Park.

**Water Use Planning and Management** – A total of \$677,000 is included in 2025 and 2026 for the completion of the drinking water master plan initiated in 2024.

**Community Engagement** - Public engagement was encouraged during the financial planning process through Let's Talk Parkville, City News and at Council's regular and Committee of the Whole meetings from October 2024 through April 2025.

**Investment in Recreation Amenities** – Approximately \$5.8 million of parks and trails projects are included in the 2025-2029 amended financial plan, including the Parksville Pathway, renewal of the waterfront boardwalk, relocation of the Beach Festival sandcastle area, and the refurbishment of the Springwood Park tennis courts and lacrosse box in the Parksville Community Park.

**REFERENCES:**

*Community Charter Section 197*

*City of Parksville Amended 2025-2029 Financial Plan*

Respectfully submitted,

*Original signed by J. Holmes*

---

J. HOLMES, CPA, CA  
Director of Finance

**CHIEF ADMINISTRATIVE OFFICER ENDORSEMENT:**

*Original signed by K. Kehler*

---

K. KEHLER, MPA  
Chief Administrative Officer

| <b>City of Parksville</b><br><b>Schedule of Property Tax Rates</b><br><b>2025</b> |                       |                                  |         |                      |  |          |   |
|---|-----------------------|----------------------------------|---------|----------------------|--|----------|---|
| Tax Rates (Rate of tax per \$1,000 of taxable assessed value)                     |                       |                                  |         |                      |  |          |   |
|   |                       | A                                | B       | C                    | D                                      | E        | F   |
|   |                       | General<br>Municipal<br>Purposes | Library | Regional<br>District | Regional<br>District<br>Waste<br>Water | Hospital | Downtown<br>Business<br>Improvement<br>Area<br>(Note 1) |
| Class 1   | Residential           | 2.80911                          | 0.14944 | 0.63569              | 0.49907                                | 0.53950  |   |
| Class 2   | Utility               | 16.9131                          | 0.8997  | 3.8274               | 3.0048                                 | 1.8883   |   |
| Class 3   | Supportive Housing    | 2.8091                           | 0.1494  | 0.6357               | 0.4991                                 | 0.5395   |   |
| Class 4   | Major Industry        | 7.6883                           | 0.4090  | 1.7398               | 1.3660                                 | 1.8343   |   |
| Class 5   | Light Industrial      | 7.6883                           | 0.4090  | 1.7398               | 1.3660                                 | 1.8343   | 1.074499  |
| Class 6   | Business              | 7.6883                           | 0.4090  | 1.7398               | 1.3660                                 | 1.3218   | 1.074499  |
| Class 7   | Managed Forest Land   | 2.8091                           | 0.1494  | 0.6357               | 0.4991                                 | 1.6185   |   |
| Class 8   | Recreation/Non-profit | 7.4090                           | 0.3941  | 1.6766               | 1.3163                                 | 0.5395   |   |
| Class 9   | Farm                  | 11.5560                          | 0.6147  | 2.6151               | 2.0531                                 | 0.5395   |   |