

MAYOR'S REPORT - JANUARY, 2022



By now, we have all received our 2021 property tax assessment notices in the mail and have seen our property assessments, by and large, rise upwards around 42%. I would like to assure everyone that this does “not” mean that your municipal property tax payable this year will rise 42%.

Currently Town Council is reviewing the preliminary numbers for the 2022 budget that shows a modest 4.5% increase over last years dollar amount. Council approved a 2% increase in last years budget due to the affect of the pandemic on the economy and now must consider playing catch up due to aging infrastructure projects that were put on the back burner as well as the significant increase in the costs of materials. Along with that Council is also considering an increase to the water and sewer parcel taxes to help fund large future capital expenditures. Council budget discussions have been taking place over the past few weeks at Special Committee of the Whole meetings which can be viewed on the the Town of Lake Cowichan YouTube channel if so desired. The numbers should be finalized within the next couple of weeks at which time staff will prepare the 5 year financial plan bylaw and associated parcel tax bylaws for Council to consider at an upcoming meeting.

With the completion of our new water treatment plant and with the necessity to move forward with upgrades to our wastewater treatment facility, on the near horizon, it is more important than ever to properly fund the capital reserve accounts for these two important services. This is where parcel taxes play an important roll. Water and sewer parcel taxes are put into reserve funds that must be used for capital improvements in these two areas. Staff and Council are also hoping to be successful in an upcoming grant application to help fund the wastewater facility project and lesson that cost burden to our residents.

A very interesting statistic was brought to my attention several years ago. And that is, that only 8 cents of every tax dollar paid by you and I, gets collected and spent in the municipalities we live in. Unlike the other levels of government, municipalities only have one source of revenue and that is property taxation. As the only source of revenue your local government must supply and maintain the roadways, sidewalks, sewer and water systems, solid waste pickup etc. This tax system is unlike the provincial and federal governments, who gather revenue from income tax, sales tax and consumption taxes.

All this being said, your local government supplies the most important services that touch our daily lives with that 8 cents on the dollar and do so using a balanced budget. I believe I can speak for the rest of Council when I say that our staff do an excellent job balancing the wants and needs of the community given that our property tax revenue is derived from an approximately 85% residential tax base.

In the upcoming weeks Council will bring forward a final budget that has been given much thoughtful discussion, that will best serve the community and our residents. We work very closely with staff on this process to justify the final numbers contained in the budget and together we come up with what we believe will be best for the now, and for the future of our community.

Thank You.

Mayor Bob K. Day
Town of Lake Cowichan
Call / Text 250.710.0742

“Building Community Together”