

multi-centre

By now you may have seen the referendum question as it will appear on the ballot.

"Are you in favour of the Cariboo Regional District adopting i) Loan Authorization Bylaw 4396 to borrow up to \$15,000,000 and ii) Service Establishment Amendment Bylaw 4395 to increase the North Cariboo Recreation and Parks function taxation limit to a maximum of the greater of \$3.2095/\$1,000 of assessed value of land and improvements or \$4,900,000 to provide for the construction of a new arena, theatre and multi-purpose event space."

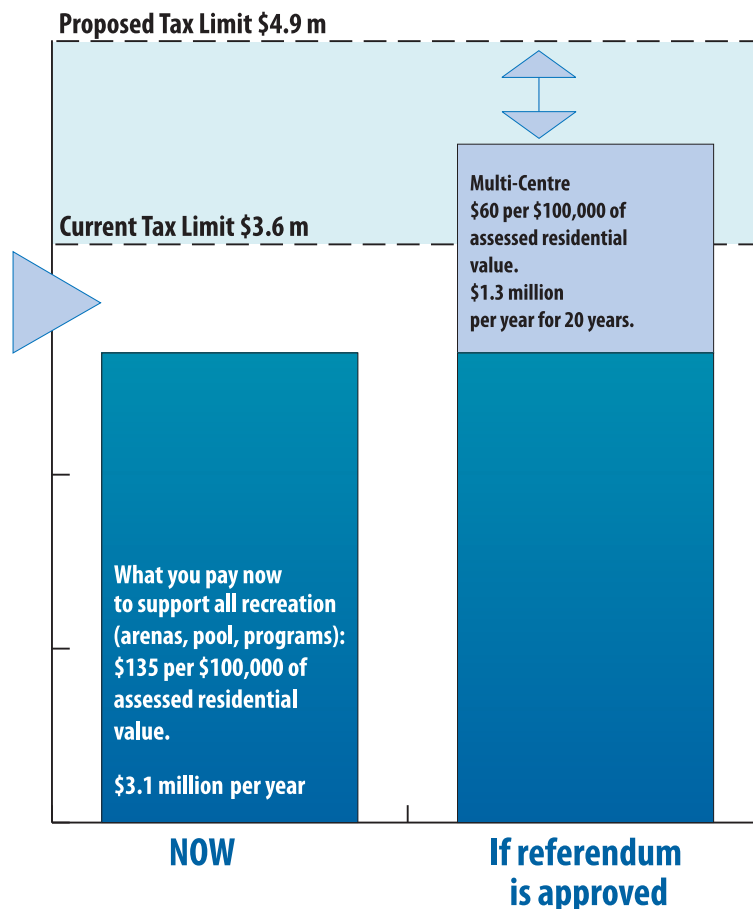
It's a two-part question because you can't have one without the other. If you don't borrow \$15 million, you **DON'T NEED** to increase the tax limit, and if you don't increase the tax limit you **CAN'T** borrow the \$15 million. That's why it is a two-part question that only requires one answer, Yes or No.

But what does it mean?

i The first part asks if you're in favour of borrowing up to \$15 million to pay for construction of the Multi-Centre (which has a project cap of \$30 million). You don't get taxed until the money is actually borrowed and **no money will be borrowed until ALL funding is in place**. This means we need to secure an additional \$15 million from other sources, such as the federal and provincial governments **BEFORE** you would see any tax increase.

ii The second part of the question deals with the maximum amount that may be collected to fund recreation, such as the pool and the arenas. Taxes for recreation can **ONLY** be spent on recreation **AND** only a certain amount may be collected.

Right now, although the tax limit for recreation is about \$3.6 million, the CRD collects about \$3.1 million per year. This creates a \$500,000 buffer that allows the recreation budget to increase in small increments over several years if required. This could be used to absorb operating increases such as rising energy costs or new programming and prevents having to go to referendum every time you need to make a small increase.



If borrowing \$15 million to pay for construction is approved, there's not enough room under the current limit (we would need to collect \$4.4 million per year and the current cap is \$3.6 million.) So, you're being asked for permission to raise the limit to \$4.9 million. This increase allows borrowing \$15 million, while keeping the same \$500,000 buffer in place. The new tax rate would be a total of \$195 per \$100,000 of assessed value **(in 2008 dollars)**. This would result in \$4.4 million being collected each year (the current \$3.1 million plus \$1.3 million it costs to borrow the \$15 million for construction).

Notice the portion of the question that refers to "a maximum of the greater of \$3.2095/\$1,000 of assessed value of land and improvements or \$4,900,000". Currently, the rate used to collect taxes for recreation sits at \$1.35. The reason for the larger amount of \$3.2095 is to protect against low assessments. As assessments rise and fall from year to year, local government needs the ability to change the tax rate to collect the lump sum required to fund recreation. A change in tax rate doesn't mean you pay more or less in total taxes, it just means you pay more or less per \$1,000.

The bottom line?

- The referendum question asks:
- if you approve borrowing up to \$15 million
 - if the tax limit can be raised from \$3.6 million to \$4.9 million
- You reply to both questions with only one answer, Yes or No.

For more information:

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