

Subject: CVRD Recreation Funding Referendum is Flawed

The CVRD Recreation Funding Referendum has some major flaws. CVRD has promoted the referendum as “Play Fair, Pay Fair”. The problem is, it’s NOT fair.

CVRD has provided the before and after referendum rate/\$100,000 assessed value. They should have taken it a step further to show the \$ tax impact before and after because small rate increases can translate into large \$ tax increases. I have done that for a \$750,000 home and a \$1.5 million home by region. As an example, a \$750,000 home in the Town of Lake Cowichan will pay \$509.33 while a Town of Lake Cowichan neighbor a few blocks away with a \$1.5M home will pay \$1,018.65. Does this sound like a “Fair Pay” method?

The problem is assessed value does NOT reflect usage in a region.

There are regions such as the Gulf Islands where I live that don’t use the recreational facilities at all and will still pay \$115 on a \$750,000 house. Why am I paying for something I don’t use? Does that seem fair to you? Given the sampling error in the data, there should be a minimum usage, say 2% before a tax is assessed.

CVRD has not projected total tax revenue 3 years forward after the transition period so we can’t even say the new taxes will be revenue neutral. If total tax revenue goes up as a result of this referendum, don’t you think we should have been told before the referendum? And who do we hold accountable, the outgoing Board who dreamed up this scheme or the incoming Board that implemented it? Does that seem fair to you?

Looking into the future, I expect future recreational funding will be tied to inflation as governments face cost increases and taxpayers face increased assessed values. The 2019 Budget was used as the baseline for the referendum because it was pre-COVID and projected \$15,790,000 funding for all of the recreational facilities. The maximum authorization of \$35 million will remain if the referendum is approved so there is lots of room for further tax increases down the road.

It’s a shame that CVRD has spent so much time and money bringing forward this resolution. They could have adjusted the rates for major regional inequities based on \$ taxes, set minimum usage targets, and provided the 3-year projections avoiding disharmony amongst the regions.

What can you do now? Ask your candidates whether they will vote “Yes” or “No” to the referendum. If the referendum is approved, will they make some adjustments for the inequities or will they just go ahead and implement the proposed formula? If you don’t think your candidate is really serious about making this fair for all regions, just vote “No” which will send a loud message to the incoming CVRD Board to “Play Fair, Pay Fair”.

In the final analysis, if it is not fair for one region, how can it be fair for all?

Paul Duncan, member of Thetis Island Residents and Ratepayers Association (TIRRA).

Sources:

[2022 Regional Referendum - Regional Recreation Funding Services | Cowichan Valley Regional District \(cvrd.ca\)](#),

Attached Electoral District Tax Impact

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