

The "70% subsidy" frustration felt by Campbell River directors stems from a fundamental misalignment between the significant financial contribution made by City taxpayers and the perceived lack of cooperation from rural directors on regional initiatives 1, 2. Because the City of Campbell River holds the vast majority of the region's property assessment value, it is responsible for approximately **70% of the general administrative budget**, including the salaries and travel expenses of rural and small-community directors.

The core components of this frustration include:

1. High Costs vs. Perceived Low Value

Municipal directors, including **Mayor Kermit Dahl** and **Directors Kerr and Lanyon**, have expressed "immense frustration" that their constituents bear 70% of the overhead costs while receiving what they perceive as "low value" from the regional partnership . A primary grievance is that while City taxpayers fund the boardroom's operations, rural directors frequently use their votes to block or "scuttle" shared regional services, such as regional transit, which would benefit the broader area.

2. Accountability and the "Walkout" Scandal

The frustration reached a flashpoint following the **April 29, 2026, "hot mic" incident**, where rural directors were recorded plotting to break quorum to derail a democratic vote on recreation funding. Mayor Dahl publicly reprimanded these directors, noting the irony that they were **"billing the SRD for travel"**—essentially being paid by City-subsidized funds to attend a meeting—only to physically walk out on their democratic responsibilities. Dahl characterized this behavior as a "total disregard for due process" and an "act of bullying".

3. Distortions in Cost Allocation

Frustration is further fueled by the outdated **2010 "transaction count" formula** used to allocate Finance and IT costs .

- **The Distortion:** Under this system, every invoice is weighted the same, meaning a \$1 bill incurs the same overhead charge as a multi-million-dollar construction contract (valued at approximately **\$182.64 per transaction** in 2024).
- **The Subsidy:** Municipal directors argue this formula forces them to provide a 70% subsidy for rural administrative costs that are often more time-consuming because rural areas lack their own independent city halls to handle basic governance .

4. Planning and Development Disparities

In response to these inequities, Mayor Dahl has threatened to utilize **weighted-vote motions** to arbitrarily slash Campbell River's requisition by as much as **\$1.3 million** to force a more equitable restructuring of how regional costs are shared .