

DATE: February 5, 2021

TO: Chair and Directors
Regional District Board

FROM: Russell Dyson
Chief Administrative Officer

FILE: 1700-02/2021/275

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: 2021 - 2025 Financial Plan – 9-1-1 Answering Service, function 275

Purpose

To provide the Board with the proposed 2021 - 2025 financial plan and work plan highlights for the 9-1-1 Answering Service, function 275.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2021 – 2025 financial plan for the 9-1-1 Answering service, function 275, be approved.

Executive Summary

Highlights of the financial plan for function 275 include the following.

- The service was established on November 29, 1993 to provide for enhanced 9-1-1 emergency telephone service for the now former Comox-Strathcona Regional District (CSRD).
- Service participants are the City of Courtenay, Town of Comox, Village of Cumberland and Electoral Areas A, B and C.
- An annual operating grant is provided to the North Island 9-1-1 Corporation (NI 9-1-1), an independent corporation established on January 5, 1995 to manage the provision of 9-1-1 to four initial shareholder Regional Districts with a fifth joining in 1999. In 2008, with the split of the CSRD into the Comox Valley and Strathcona Regional Districts, there became a total of six corporation shareholders.
 - Commencing mid-2021, NI 9-1-1 will be providing contracted fire dispatch services to the Cowichan Valley Regional District, in addition a contract with the Peace River Regional District that has been in place since late 2017.
 - NI 9-1-1 has been undergoing a comprehensive review of their cost apportionment since 2017 and has recently endorsed a change which could result in a modest reduction of the Comox Valley Regional District's (CVRD) apportionment commencing in 2021 upon formal adoption by its Regional District shareholders.
 - The model being supported in principle is moving from the current assessment apportionment method that has been in place since inception, to a model similar to the Vancouver Island Regional Library District which is a combination of 50 per cent assessment and 50 per cent population based on the methodology this service protects people and properties. This change is planned to be enacted for 2021 to 2023 and then re-considered to either support this change ongoing, revert back to assessment apportionment, or to consider call volume of the public safety answering point and fire dispatch for each shareholder as it relates to demand on the system and levels of service for each of the respective regional districts.
 - These changes will be reflected across the 2021 – 2025 recommended financial plan for this service, resulting in a reduction to the operational grant cost to CVRD by approximately \$63,487 in 2021.

- The maximum levy for this service is \$0.35 per \$1,000 of assessed value with the 2021 maximum requisition being \$6,478,926.
- The 2021 estimated residential tax rate is \$0.0410 (2020 - \$0.0400) per \$1,000 of assessed value which results in a tax levy of \$20.50 for a home assessed at \$500,000.

Prepared by:

Concurrence:

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 Chief Financial Officer

Government Partners and Stakeholder Distribution (Upon Agenda Publication)

North Island 9-1-1 Corporation	✓
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Board Strategic Drivers

The Comox Valley Regional District (CVRD) Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table 1 notes the degree of influence the drivers have on projects and work plans.

Table 1: Board Strategic Drivers

<p>Fiscal responsibility:</p> <ul style="list-style-type: none"> • The majority of costs associated with this service are directed to NI 9-1-1 by way of an operational grant. • The NI 9-1-1 undertakes a similarly thoughtful financial planning process to ensure the long-term fiscal sustainability of the corporation. The shareholders re-affirmed the value and high levels of service in fall 2020 strategic planning, as well as identified the economies of scale through the corporation for significant infrastructure needed to provide this service. • They also affirmed the need to consider key staff succession planning to maintain this infrastructure of towers and radio communication across Vancouver Island in remote locations in the short and long term through funding an IT support person. • Lastly, the award of another fee for service contract to the Cowichan Valley Regional District for fire dispatch starting in mid-2021 offsets the net apportionment to all shareholders reducing net costs for the fixed fire dispatch contract utilizing available call volume capacity. This additional revenue both transitioned the corporation to sustainable requisition levels moving away from reliance on surpluses, as well as replenished reserves to 	<p>Climate crisis and environmental stewardship and protection:</p> <ul style="list-style-type: none"> • Not a significant driver for this service.
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<p>meet current and future ongoing technology replacement needs for the service.</p>	
<p>Community partnerships:</p> <ul style="list-style-type: none"> • This service provides financial support to NI 9-1-1 which manages the provision of full 9-1-1 to six regional district shareholders in Central / North Vancouver Island as well as fire dispatch services to the Peace River Regional District by contract. Effective mid-2021, NI 9-1-1 will also be providing fire dispatch services to the Cowichan Valley Regional District by way of contract. The NI 9-1-1 Board re-affirmed the value of having an island based high value service in an ever competitive environment for fire dispatch services. 	<p>Indigenous relations:</p> <ul style="list-style-type: none"> • Not a significant driver for this service.

Rethink Comox Valley / COVID-19 Response and Renewal

On May 12, 2020 the Board adopted a COVID-19 renewal plan for the review of service levels and all necessary, critical and functional projects slated for the next five years.

There were no recommended actions identified nor budgetary impacts / implications for 2020 and for across the 2021 – 2025 proposed financial plan for this service given it supports the delivery of critical 9-1-1 dispatch services for the Comox Valley region.

Economic Recovery Task Force Actions


Not applicable for this service.

Financial Plan Overview

The 2021-2025 proposed five-year financial plan for function 275, including service establishment information, requisition summary and the operating budget, is available within the full proposed budget binder, provided in both searchable PDF and e-reader formats, located on the CVRD financial plan web page at www.comoxvalleyrd.ca/currentbudget.

Table 2 on the following page summarizes the 2021 proposed budget as compared to the 2020 adopted budget for this service. Significant variances from the 2020 adopted budget will be discussed in the financial plan highlights section below.

Table 2: Financial Plan Highlights

 2021 Proposed Budget			
#275 - 911 Emergency Answering Service			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	797,662	860,000	62,338
Prior Years Surplus	22,665	16,152	(6,513)
	\$ 820,327	\$ 876,152	\$ 55,825
Expenditures			
Operating	818,591	872,492	53,901
Contribution to Reserve	1,736	3,660	1,924
	\$ 820,327	\$ 876,152	\$ 55,825

Highlights of the 2021 - 2025 proposed financial plan for function 275 include:

Revenue Sources

The primary revenue source for this service is tax requisition.

Personnel

While there are no CVRD personnel costs directly charged to this service, the CVRD does receive an annual support services / administration fee from NI 9-1-1 in the amount of \$132,600. This revenue is allocated to the Administration and General Government service, function no. 110. Furthermore, the personnel costs attributed to the CVRD's GIS Data Management Specialist position are fully covered by NI 9-1-1 based on a 100 per cent secondment to NI 9-1-1. An IT support staff position was supported by the NI 9-1-1 Board for 2021 financial planning, which will also be seconded from CVRD. The Technology Manager is an employee of NI 9-1-1 Corporation.

Operational Costs

At its January 29, 2021 Board meeting, the Directors of NI 9-1-1 were presented with additional analysis with respect to three short-listed alternatives to apportioning the net costs of the Corporation to its shareholders. While a new alternative apportionment method was endorsed for 2021 by the Directors, the final steps to enact this change are being brought to the NI 9-1-1 Board in February to consider, and then following will be brought to the six regional district shareholders. As such, the CVRD is expecting to receive a formal update to consider an alternate apportionment option in February 2021.

Capital

There are no CVRD capital requirements for any of these services.

Reserves

The future expenditure reserve fund balance as at December 31, 2020 was estimated to be \$38,176 with a balance by the end of 2025 of \$44,489.

Tax Impacts

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0410 (2020 - \$0.0400) per \$1,000 of taxable assessed value.
- For a residence assessed at \$500,000, the total tax impact is estimated to be \$20.50.